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LAING

make ideas take shape

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## GENERAL set on Zambia visit

The Queen is still determined usaka, Zambia, next month in pife of the threat posed by Joshua Nkomo's terrorist forces.

A Buckingham Palace state-ment said: "At present it is the firm intention that the Queen will be going." Mr. Robert Muldoon, New Zealand's Prime Minister, has said he fears the Queen's plane could be shot down by the "relatively undisciplined" guerrillas.

One of the main problems facing the Queen's advisers is that the conference site is close o the bases being used by the e government of Bishop Abel 

#### Irian 'traitors'

Trans most prominent anti-Shah guerrilla group, the Marxist Fedayan-E-Khalq, has been denounced by Dr. Mehdi Bazargan, the Prime Minister, as traitors to the new Islamic regime.

#### More bombings

Basque guerrillas continued their bombing attacks against Spanish tourist resorts and machine-gunned a sleeper train from Paris near the Spanish border. Serious flooding, and an hotel fire in Majorca added to the tourist industry's troubles. Back Page

#### Change of heart

of pushing back to sea Vietnamese refugees if Vietnam and takeover of the Chicago-based Western countries agree to set Walter E. up camps to process them for Back Page

#### V/ade beaten

Britain's Virginia Wade was beaten 6-4, 6-0 by Evonne Cawley in her Wimbledon quarter final match. The number one seed. Miss Martina Navratilova, beat Australia's Dianne Fromholtz 2—6, 6—3, 6—0. Page 8

#### Alcohol problem

The drinks industry is concerned about the growing problem of alcohol abuse among young people, Sir Derrick Holden-Brown, chairman of the Brewers' Society, said. Page 8

#### Muider charged

charged with contempt for crisis. Back Page rejusing to give evidence to the government inquiry into the former Information Department's secret operations. Page 3

#### Liewellyn banned

Roddy Liewellyn, friend of Princess Margaret, was banned O HIRE PURCHASE sales rose from driving for 18 months and by 9.1 per cent in May as confined a total of £180 at Maryle-bone after pleading guilty to fears of a Budget rise in VAT. driving with excess alcohol in Page 6 his blood, careless driving and failing to stop after an accident.

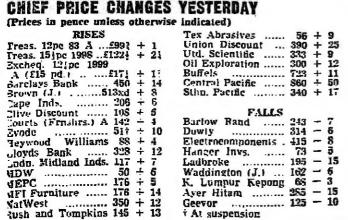
#### Briefly . . .

Former Prime Minister Edward Heath will captain Britain's Admirals Cup challenge for a second time when the series COMPANIES begins on July 30.

String of earthquakes caused severe damage to the Panamanian Pacific coast town of Puerto Armuelles. Irsael plans to extract uranium

for nuclear power plants. 41 least 23 people died and 28,000 made homeless in five lays of torrential downpours in outhern Japan.

rom under the Red Sea as fuel

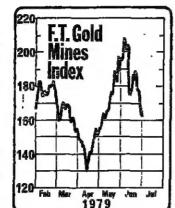


#### BUSINESS

## **Equities** gain 1.7; Golds off 5.9

• GILTS continued to advance as the rising sterling attracted widespread investments. The o open the Commonwealth long-dated tap soon ran out and rime Ministers Conference in gains in longs stretched to sains in longs stretched to nearly three points. Shorts also moved up. The Government Securities index rose 1.19 to 72.28.

> EQUITIES gained despite initial uncertainty and the FT 30-share index closed 1.7 up at 475.1. However, the 30ld mines index fell by 5.9 to 161.9.



- STERLING rose by 85 points to \$2.1885, a four-year high, and its trade-weighted index was sharply higher at 70.1 (69.5). The dollar's trade-weighted index eased slightly to 35 (85.1).
- GOLD rose by \$2! in Landen to \$2821.
- WALL STREET Was 8.96 lower at 832.02 near the clience
- O MIGLAND BANK is to end its reliance on consortium bank-Malaysia will stops its policy ing for international expansion in view of its planned £250m Walter E. Heller fiancial group.
- up camps to process them increased the process t man over the Government's handling of financial aid for the shut-down. Back Page
  - 9 TURKEY has sent a letter intent to the International Monetary Fund regarding a \$300m (£138m) stand-by deal which could lead to further \$1.7bn (£783m) loans from Western countries. Page 2
  - CHINA became the largest borrower on the world credit market in the second quarter. raising about \$18bn (£8.3bn) on an annual rate, says the OECD.
- MINERS' leader Joe Gormley warned Left-wingers not to rock the boat by militancy on wages. Dr. Connie Mulder, the distroy policies or pit closures graced former South African when the industry's position was Minister of Information, is to be strengthened by the energy
  - INDUSTRIAL workers in State industries are likely to need wage increases of about 20 per cent this year, says an independent pay comparability unit. Page 9

  - INSIDER DEALING will be covered in the next Companies Bill, although the precise definition of "inside information" still remained to be resolved,

• MERCURY SECURITIES, the merchant hanking and metal trading group, saw attributable profits rise from £10.32m to £14.86m for the year to March 31. Page 20 and Lex

the Commons was told. Fage 9

SUTCLIFFE SPEARMAN and Co., the engineering con-cern, reports a pre-tax loss of £407,000 for the year to March 31, against a £566,000 profit previously. Page 21

# Postal monopoly 'at risk' unless efficiency improves

BY NICK GARNETT AND JOHN LLOYD

The Government will review the Post Office's monopoly over letters—unless postmen agree to increase efficiency, Sir Keith Joseph, the Industry Secretary. told the Commons yesterday.

increase productivity.

No. 27,905

He said: "I have been unable to convince the union member-ship to accept change in return for apportunities for more pay."

O Acceptance of mail traffic In his statement, Sir Keith acknowledged that the recent backing of mail was now being cleared, and that many of the Abolition of excessive over-problems which had contributed time working in certain offices,

the efficiency and productivity many of its problems, especially of the postal service. I have in London, with an extra 2,000 made this clear to the chairman workers in sorting offices. of whom I have great respect."

But Sir William Barlow, the year by the UPW executive.

Post Office chairman, admitted The Post Office is continuing Post Office chairman, admitted The Post Office is continuing yesterday that the Union of to negotiate with the UPW. The Post Office Workers had "effective crucial elements which the tively stymied " any moves to Corporation wants agreement on

Acceptance of temporary

© Acceptance of mail traffic the uneconomic parts."

The union's view is that the Post Office's biggest labour problem is its inability to re-

to postal delays were beyond the corporation's control.

He added: "These problems have only confirmed that much it is short of 10.000 postnen, needs to be done to improve and believes that it could solve

f whom I have great respect."

Postal productivity has been Sir Keith drew attention to declining for at least a decade. the offer of higher wages for In 1971, for example, 175,000 increased efficiency which had postmen handled 11.95n pieces been turned down by the UPW of mail. Now, the same number at its annual conference in May. of workers handle 9.9ba pieces after being agreed earlier in the of mail.

Mr. Norman Stagg, the UPW's acting general secretary, said last night that the union would resist any attempt to break the

Post Office monopoly.

He said: "We know that the consequence will be that the most profitable areas will be hived off by cowboy operators with the Post Office left with the uneconomic parts"

cruit staff because pay and conditions are uncompetitive.

Mr. Stagg, who had further negotiations with the Post Office yesterday over improving the use of manpower, said Sir William did not help by attacking the only union which was not in dispute with the Post

Office.

"He's provoking a situation he would be the first to wish to avoid. I'm sick and tired of the Post Office blaming the UPW for its difficulties."

Parliament, Page 9 Editorial comment, Page 18

## Pound closes at three-year high

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

the main Continental currencies. afternoon. The trade-weighted index, than three weeks since the

Budget. The recent appreciation has sion of an alres been much more than reflection competitive position. of the dollar's weakness. In the to DM 4.031.

Sterling touched a peak of 85 points up at \$2.1885, its best closing level for nearly four portfolio investment, years. The dollar was generally The authorities so firmer than last week, though the U.S. Federal Reserve.

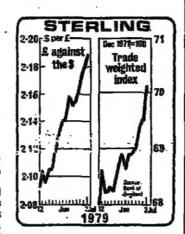
The Bank of England again the sidelines and allowed demand to be reflected in the exchange rate. An indication of the scale of intervention may be abroad.

TERLING rose sharply yester- provided by the official reserve day against both the dollar and figures for June due this The steady rise in the pound

measuring the value of sterling during the last fortnight has against a basket of other cur-exacerbated the Government's rencies, jumped by 0.6 points policy dilemma. There is a to 70.1, the highest closing level general commitment to a strong since March, 1976. This is an exchange rate for counterincrease of 4 per cent in less inflationary reasons. But there is also growing concern in industry about the further eroalready poor

Sir Geoffrey Howe. Chancellor past week, the pound has risen of the Exchequer, is likely to by nearly 1½ per cent against consider further relaxion of the Deutsche Mark, for example. exchange controls. These would be in addition to the changes announced in the Budget and \$2.1935 at one stage yesterday, would remove artificial props before slipping slightly to close to the rate. The move could involve an easing of controls on

The authorities seem reluctant to consider an early cut in dealers suspect continued cen- the Minimum Lending Rate tral bank intervention, including from 14 per cent. They believe this is the right level to control domestic monetary pressures, appeared to have remained on notably the buoyancy of bank the sidelines and allowed lending. The official view is demand to be reflected in the that a cut in MLR might have little effect on inflows from



The gilt-edged market seems to be slightly more optimistic about a cut in MLR in the next month to six weeks. The long-dated 1999 tap stock was quickly exhausted yester-

day morning after the self-out of the 1984 tap on Friday. The 1999 stock rose by more than 22 points yesterday. There were gains of over 21 points in some other long-dated stocks and rises of a point at the short end. The exhaustion of the two taps means that the Government has tied up nearly £1.2hn gross of gilts sales in the current banking month to July This is because there are further calls on the two partly paid stocks in the next ten days These sales should help to hold down the rate of growth of the

money supply.
Editorial comment, Page 18 Money markets, Page 25 Lex Back Page

## Ladbroke accused of corruption

BY JAMES BARTHOLOMEW

days, was accused yesterday of habitual breaches of the Gaming Act 1968 and of corrupting a member or members of the police.

The allegation was made by Mr. Michael Kempster, QC. on behalf of the police at South Westminster licensing magistrates court. The police and the Playboy Club of London, a subsidiary of the U.S. public company, are objecting to the renewal of three of Ladbroke's London casino licences. Mr. Kempster warned the magistrates that "it may be

suggested that the Augean stable has been cleansed." But one of the directors of the

LADBROKE GROUP, with only in April. The resignation Mr. Rodney Widowson, Lad-interests in casino gaming, of another had not yet been broke's security officer for the credit betting, hotels and holi-officially notified to the police. provincial casinos, procured and He added: "Mr. Stein (the paid for the names and chairman of the Ladbroke addresses of the car owners Group) remains at the centre from the Nottingham terminal

> set up an unsual marketing exercise called "Operation Six" six rival casinos in London, the Playboy Club, the Knightsbridge Sporting Club, the Clermont, Crockford's, the Curzon House Club and the Casanova Club.
> Mr. Ian Withers, a private investigator, was hired by Lad-

broke to obtain the registration numbers of cars parked near these rival casinos, said Mr. Lists of these numbers were hen sent to Leicester where if not their finest hour," said Mr. Kempster, the police found then sent to Leicester where Continued on Back Page Kempster. casing subsidiaries had resigned then sent to Leicester where

of the police computer. He paid I the web.

Ir. Kempstar said Ladbroke 50p per name.

The names were then sent

back to London where two women "marketing assistants" would approach the people concerned with gifts of fruit flowers or chocolates and invitations to dine at one of the clubs Once there, the guests would become members and gamble. Last summer the police visited various offices of Ladbroke. Although the group's paper shredders "enjoyed their busies

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Joes Column

Bundesbank 16 Survey: Accountancy Inset ANNUAL STATEMENTS 

## Shell petrol up 7-8p at pumps

SHELL OIL UK put up the wholesale price of its four star petrol by 6.2p a gallon last night, partly reflecting the disarray over the Organisation of Petroleum Exporting Countries two-tier price structure for crude oil.

Shell's petrol price rises are higher than those announced by Esso at the weekend. Unlike the Esso increases, they take no account of the higher crude prices announced by OPEC last week. They are merely a response to the increased cost of North Sea and Kuwaiti off.

North Sea and Riward oil.

North Sea oil is among the most expensive crudes and the price of Kuwaiti oil has gone from \$16.40 to \$19.30 since June. Both Esso and Shell buy North Sea oil but Esso also has access to the comparatively cheap Saudi crude.

Shell UK said yesterday that this gave Esso an advantage when it came to putting up the prices of such oil products as petrol.

The 6.2p a gallon increase in the wholesale price of Shell's four star petrol is expected to put up pump prices by between 7p and 8p. Esso has increased its wholesale price for four star by only 5p, adding 6p to its

pump prices.
Shell yesterday gave a warning that it would almost certainly be putting up the wholesale prices of its petrol again this year, probably in August, "when the recent OPEC an-nouncements are fully under-

The OPEC price rises are expected to add a further ip to 2p to the price of Shell petrol. Shell obtains 55 per cent of its oil from the North Sea, 35 per cent from Kuwait and 10 per cent from various other sources. Increases in the prices of Kuwaiti and North Sea crude last month added an extra £200m to Sheil's annual costs. Esso is believed to take about balf of its crude from the North Sea, about 40 per cent from

Saudi Arabia and about 10 per cent from other sources. Saudi marker crude is still only \$18 a barrel; less than Ruwaiti oil before the OPEC meeting in problem. Geneva last week. And Esso's

to increase in price to \$23.50 — the ceiling under the new OPEC two-tier price system. Continued on Back Page

Parliament, Page 9

## Saudi oil output to be increased

BY JAMES BUCHAN IN JEDDAH AND RICHARD JOHNS IN LONDON

its oil production on a temporary basis, it announced yesterday. But it did not specify by how

much and for what period.
The news was broken by the
state radio, which quoted an
official at the royal court. However, neither the Arabian
American Oil Company nor, it
seems, even the Saudi state oil corporation Petromin was informed of the decision in advance.

Sheikh Ahmed Zaki Yamani, Saudi Oil Minister who was at his country retreat near Sun-ningdale, Berkshire, having discussions with a Mexican oil delegation, was not available for comment as the oil industry urgently sought clarification.

The Saudi move would have been taken to help to stabilise oil prices at the levels set by last week's ministerial conference of the Organisation of Petroleum Exporting Countries which set an upper limit of \$23.50 for member states premium crudes. It could be also seen as a response to the agree-ment reached at the Western economic summit in Tokyo on limiting oil imports.

Significantly, though, the announcement from the royal court said that an increase was necessary to provide more money for the kingdom's development pro-

Last summer and again at the beginning of this year the Saudi Government experienced something of a financial squeeze as expenditure caught up with development. Now, however, revenues should be wall in excess of requirements.

The explanation given is more likely to be intended to placate

other members of OPEC. Two at least—Iraq and Libya—are known to have made their assent to the compromise on prices conditional on fellow producers not raising their. output. How far Saudi Arabia is pre-

pared to go in raising produc-tion from its main fields above the present official ceiling of 8.5m barrels a day remains to be seen. It is not merely a ques-tion of what the kingdom is politically willing to contem-plate but what rate is technic-ally possible.

Before the OPEC conference Dr. Abdul Hadi Tahir, the Governor of Petromin, said that there would probably be an in-crease "perhaps, but probably not, as high as 9.5m barrels a

Sheikh Yamani last week calculated the current short-fall in supplies at 800,000 barrels a day, and that may be the level of increase the Saudi Government has in mind.

If Saudi Arabia does increase output, there may be some danger of other producers, with their earnings a barrel con-solidated at up to 70 per cent more than last year, retaliating

by cutting output.

The main threat would probably be from Libya, whose leader, Colonel Mu'ammer Gaddafy, last week suggested that his country might halt output for a year or two. Vesterday he slightly clarified his remarks, saying that any such plan would have to be thoroughly studied and referred to conferences of the people for

The Soviet factor in world off supplies, Page 18:

#### Yamani warning

Newsweek magazine, has de capacity from Saudi Arabia, livered the most stern and created panic. explicit Saudi warning yet about "You can safely assume that the possible consequences of a now that we've lost that extra failure to solve the Palestinian custion and if something hap-

Asked to what degree he felt petrol price rises take into that the failure to achieve a day, as it well may, the price account the latest OPEC oil comprehensive. Middle East will quickly shoot up to \$50 a price increases. Shell is hoping that Ruwaiti the oil crisis, he replied: "For oil prices will not rise much the time being, so immediate during the next few months. impact; but there is a very real But it expects North Sea oil and very serious threat."

Sheikh Yamani did not speak of the "oil weapon," but asserted: "We know from the Iranian crisis that the sudden absence of 3m barrels a day

In the meantime Sheikh from world markets, even at a Yamani, in an interview with time, of surplus and extra

> pens in the area that causes a further drop of 3m barrels a

£ in New York

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Mr. Michael O'Kennedy,

#### Irish take over European stewardship

By Stewart Dalby in Dublin

THE now - established tradition that small countries probably produce better presidents for the EEC Council of Ministers than the big ones, Ireland, which assumed the presidency for six months last weekend, will

be working hard as the EEC's facto foreman until the end of December. Unlike the hesitant French presidency which preceded it, Ireland's stewardship will be characterised, one is con-stantly assured in Dublin, by well-thought-out meetings which start on time,

and more important meetings actually take place. Ireland's Foreign Ministry has a full staff of competent, mainly young people, well versed in Europe, whose job it will be to make sure things run

The French presidency, as some Irish officials see it, was marked by more than a few meetings which never took place, or by gatherings which were badly organised. What the French did not want to be discussed was not discussed. Mr. Jack Lynch, the Prime

Minister, is the leader of a country of just 3m people. When he addresses the opening of the European Parliament in two weeks, however, he will effectively be speaking as the nominal leader of nearly 300m people.

Symbolically, this leadership will be even more important when Mr. Lynch visits President Carter in the autumn. It will be very useful for Mr. Lynch to have, notionally at least, the weight of the EEC behind him

For Mr. Michael O'Kennedy, the Foreign Minister, the presidency could be crucial.

Mr. O'Kennedy undoubtedly has the example of the only other time Ireland held the presidency (in 1975) in mind. Then, Mr. Garret Fitzgerald. who now leads the main opposition party, Fine Gael, really made his name. By pushing out the contours of EEC policy, Mr. Fitzgerald became something of an international

dinlomatic star. Mr. O'Kennedy's stewardship should see the signing of the second Lomé convention, and will include the delicate matter of dealing with the first directly elected

European Parliament. Mr. O'Kennedy, in short, has the rare chance of establishing a reputation abroad. If he does, it would do him no harm domestically, since he has long been tipped as a possible successor to Mr.

The Prime Minister has now been his country's leader for over 10 years. The next elec-tion must be called by 1982, when he will be 62. He could well decide to step down. There will be no shortage of contenders to take his

place, including Mr. George Colley, the Finance Minister, Mr. Charles Haughey, the Health Minister, and Mr. Desmond O'Malley, the Minister for Industry, Commcree and Energy. Ireland's presidency, it is now clear, will be dominated by energy problems, and Mr. O'Malley, as head of the Council of Energy Ministers, should be

Relations with the directly elected Parliament will also dominate Ireland's presi-dency. Mr. Lynch has already spelled out his Government's policy on the Assembly. He does not believe it should be given more powers, and feels that Ireland's interests are best represented in the Coun-

in the thick of things.

cil of Ministers. The third area where Ireland will be active is in trying to increase the size of the Regional Fund, before the accession of Greece, Spain

and Portugal. Conversely, Irish Ministers will not be so keen to discuss a reform of the Common Agricultural Policy and the freezing of agricultural prices. Since it has been a member of the Common Market, it has received something like £1bn from the CAP, whereas its contribution to the Community budget has been only

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## Turkey sends IMF letter of intent for \$300m loan

tortuous road towards tidying up its financial relations with the West. A special courier of the West. A special country opposition.

the Turkish Finance Ministry opposition.

The board of directors of the left for Washington with the country's letter of intent to the International Monetary Fund.

In Ankara the government reached a \$160m credit agreement with the World Bank while in London bankers were forecasting that a new \$400m loan could be signed "in the next three weeks. The letter refers to a \$300m

one-year agreement to replace the two-year \$450m stand-by agreement which Turkey agreement which Turkey reached with the IMF in April

series of boycotts of parliament by the ruling Republican

TURKEY YESTERDAY moved People's Party has done little ing a \$400m loan for Turkey are

IMF is expected to vote on the new agreement with Turkey at a meeting scheduled for July 19. Finalisation of this agreement will open the way for Turkey to receive \$906m of "emergency aid" from members of the Organisation for Economic Co-operation and

Development.
This aid is crucial for Turkey to be able to import the raw materials and semi-manufactures needed for factories to work Since then a series of defections from the Government had raised the spectre of a political recessed until November. The series of however. closer to normal capacity. It is also essential if Turkey is to

targets set out in the letter appear very slim at this stage. of intent agreed in April 1978. Sig. Andreotti is unquestion-

becomes available Turkey should last month's have completed arrangements for tidying up its overdue debt. Here there is less emphasis on the arrears totalling up to \$1.7bn on unguaranteed sup-pliers credits than on the con-vertible Turkish Lira deposits -short-term bank-to-bank de-posits whose foreign exchange risk was assumed by the Turkish central bank.

The convertible deposits being rescheduled total \$2.4bn. The group of seven large banks which have been co-ordinating the rescheduling is now hopeful that it may be possible to despatch drafts of a final agreement " by the end of this week." petrol.

The group does not expect a final signing this month.

## Lisbon bid to form Government

PRESIDENT Antonio Ramalho canes yesterday met union leaders and representatives of the main employers' federations in the latest round of talks aimed at finding a solution to the three-week-old government

Since the resignation last month of the non-party Government led by Dr. Carlos Mota Pinto, the President has met the country's politicians, generals, and leading independent figures in an attempt to find the necessary consensus. Dr. Mota Pinto's administration has remained in a caretaker capacity.

The consultations are now believed to have entered their final stage, after a short interlude last week while the President visited Yugoslavia. Gen. Eanes is expected to address the nation later this week.

tive to the outgoing Government A party-based Government

capable of running the country until the next elections in 1980 has the support of the Socialist Party, the country's main political grouping. This has been opposed by both

the Social Democrats and Christian Democrats. Both parties want an election in October. They are also behind a proposal to hold a nationwide referendum to secure important changes to the constitution.

These would include the constitution's ruling that full elec-tions have to be held next year even if there is an early poll this summer. The Social Democrats and Christian Democrats,

The political parties have moved firmly to the right, think already declared what they an early election would be decibelieve to be the best alterna-sive and ensure a stable Government for at least the next

> Meanwhile, banking officials have confirmed that there have been continuing temporary in-terruptions in Portugal's nego-tions with the IMF on a new standby agreement. Although both sides are believed to have reached broad agreement on credit and exchange rate policies, and the target for this year's balance of payments deficit, the talks have been complicated by the budget amend-ments and by the resignation of Dr. Jacinto Nunes, the Finance Minister. Although Dr. Nunes continues in a caretaker capacity, he is thought to be reluctant to sign an agreement

## Dispute over Greek EEC envoy

A DELICATE controversy has arisen over the Greek Govern- Roussos, who is now Greek years under the second post-ment's decision to nominate as ambassador to Britain. He junta Government of Mr. Conits next ambassador to the EEC a career diplomat who prea career diplomat who pre-viously served in the same EEC officially "froze" its assocapacity while his country was ciation agreement with Greece, under the dictatorial rule of in protest against the Colonels' the Colonels.

everal se the Commission are understood have expressed private ervations about the choice, which they consider surprising in view of the Greek Govern-EEC membership should provide a solid guarantee that their country will remain democratic

Swiss foreign

on the increase

by 1.5 per cent to 628,616 in the

12 months up to April 30. This

further slight increase, after the

small rise in the previous 12

months, was due largely to the

resident foreigners no longer

The number of non-resident

subject to labour-market con-

foreign workers—both seasonal

and border-crossing employees
—also rose, while the figure for

resident foreign employees subject to labour-market con-

trols (so-called year-round residents) dropped further, to

only 138,593, compared with over 250,000 in 1975

in the number of

work force

in the future.

served in Brussels from 1968 to

While Mr. Roussos apparently Colonels represented the regime loyally, his defenders point out that several other Greek career diplomats still ment's repeated assertions that serving in the Foreign Ministry did likewise. When the junta fell, there was no major purge of the Foreign Ministry. Indeed. Mr. Dimitrios Bitsios, who was

The diplomat is Mr. Stavros Foreign Minister for three stantine Karamanlis, was well known during the junta period for insisting as the Colonels Ambassador to the United Nations, that there were no political prisoners, and for re-

Mr. Roussos's defenders argue that he was considered an acceptable envoy by Britain, and this should be ample proof that he is a suitable candidate for the Brussels posting. He has, indeed, won praise in Britain for the quiet, serious way he has carried out his job.

### French Socialists protest at 'pirate broadcast' raid

BY ROBERT MAUTHNER IN PARIS

By John Wicks in Zurich THE NUMBER of foreigners employed in Switzerland rose THE FRENCH Socialist Party radio and television organisa today to protest at last week's pirate radio broadcast which was to include a recording by M. Francois Mitterrand, the Socialist leader.

The police used tear gas and broke down the doors of the ffices, but failed to find the illegal transmitter. Several Socialist MPs were man-handled, and a television reporter was slightly injured.

The authorities have justified the police action by pointing out that the broadcasts broke the law giving the state-controlled

is organising a demonstration tions a monopoly of broadpolice raid on its offices after a Socialist Party and left-wing unions have sharply criticised the police for overstepping their powers

M. Mitterrand has made it

clear that the pirate broadcast was a protest at the refusal by the official radio and television channels to give the opposition parties a fair share of broadcast ing time. In reply, M. Raymond Barre, the Prime Minister, has emphasised that, on the day of the incident, the second French television channel gave M. Mitterrand a full hour to express

## Andreotti tries again

PRESIDENT SANDRO Pertini into the Parliamentary majerity vesterday gave Sig. Giulio Andreotti, the outgoing Prime Minister, the mandate to try to form a new Italian government. a few steps further down the for its prestige—though the also making its availability But the Christian Democrat deputies being offered their ing its bridges with the IMF: himself for the third consecutive weight in gold "to join the Turkey has failed to meet the time in exactly three years

> However, the banks insist as ably the best qualified candidate well that before their new loan to lead a new government. But inconclusive general elections, combined with the decision of the Communist party to return into opposition unless given Cabinet seats and demands by the Socialists and the other smaller parties for non-Christian Premier, will inevitably make Sig. Andreotti's task more difficult than usual.

Indeed, he is now already under pressure from a motley of political forces, not least his own Christian Democrat party. The failure of the Christian Democrats to make the expected significant advance in the June 4 polls has undermined the party's current top leadership, broadly composed of Sig. Benigno Zaccagnini, the secretary-general, Sig Andreotti and Sig. Giovanni Galloni, the former Christian Democrat ships former Christian Democrat chief

The Zaccagnini-Andreotti-Galloni team has been the main sponsor of the policy of so-called national unity of the last three years, which brought the Communists

and which has now been rejected by the electorate. This policy appears to have brought disunity and discontent within the country's two main political parties, the Christian Democrats and the Communists. At the weekend, Christian Democrat deputies elected as chief whip Sig. Gerardo Bianco, a little known political figure representating the Right of centre of the party. Sig. Bianco defeated in a second ballot Sig. Galloni, the candidate of the party's leadership, eloquently reflecting the split within the party itself. The election of Sig. Biance is all the more significant com-

Sig\_ Giulio Andreofti forcibly revising their entire that the party take a firmer anti-Communist stand, have clearly been strengthened by Storico, or a grand alliance of the country's democratic forces,

which would have brought them. disappointing election directly into government. As a result, confidence in the present leadership is dwindling. There are likely to be sig-nificant changes inside the party's new directorate which to avert the appointment of a non-Christian Democrat Prime Minister, he is expected to be will be chosen next week after fiarly opposed by the Com- a meeting of the Communist central committee which started After suffering their first last night.

electoral setback in some 30 Already, the Comminist elec-years, losing as many as 2m foral setback and the party's votes, the Communists are now imminent passage into opposi-

tion is having repercussions negotiating a series of major national labour contracts.

During the past few days, there has been a sharpening of labour current throughout the number of large factories, blocked in the case of the Fig. car conglomerate the unions have also announced all beyond af all Fiai cans. pro-squeed abroad and shipped to Italy. In certain instances, strikes have degenerated into grolesses.

violence.

But Sig Andreotti's biggest problems will come from the Socialists, without whose support he cannot form a working Parliamentary majority.

The Socialists, whose gains in the election fell agnificantly short of the party's expectations, are themselves split. But Sig. Bettino Craxi, the Socialist secretary general, has repeatedly

stated he would not back Sig.
Andreotti again.
Sig. Craxi, like the leaders of several other smaller parties; is; now calling for the appointment. of a non-Christian Democrat as Prime Minister to give a sense of political renewal and change

to the country

A number of non-Christian

Democrat candidates are thready
being flaunted, including the

Social Democrat Sig. Glussippe Saragat, a former President of the Republic, and Sig. Bruno Visentini, the Republican outgoing Budget Minister.

#### Swedish work hours cut 'would hit growth'

SWEDES WILL have to wait a long time for the 36-hour working week which is the official goal of their trade Shortening the present 40-hour week by only-2½ hours would boost produc-tivity but would still call for an increase of between 173,000 and 235,000 in the number employed, according to the working hours advisory committee set up by the Government.

It would also create financial problems in the publle sector and increase regional tensions because of the boost it would give to immigration from provinces to the Greater Stockholm area,

A Parliamentary employ-ment commission underlined this earlier year difficulties involved in creating more jobs. The advisory nmittee now points out that a reduction in working hours would mean a substantially lower GNP growth rate for Sweden, if total employment did not rise faster than an-

#### Denmark drops plan for car restrictions

By Hilary Barnes in Copenhagen THE Danish government has decided to drop its proposal for a car-free day a week. Its other energy saving measures, including tax increases which put up the price of oil, petrol gas and electricity by over 20 per cent, were approved by the Folketing (Parliament) at the

The government said it may come back to the car-free day idea if the tax increases do not cause a reduction in energy consumption. The idea was that car owners would decide which day to leave the car at home. A system of window stickers would let the police know on which day the cars were allowed on the road.

## Protest over Soviet censorship

ing only a few months before the key Christian Democrat

congress in the autumn, when

the current party leadership is

likely to be challenged again. The so-called "rebels," who

have vociferonsly advocated

But although Sig. Andreotti may be banking on a general

closing in of ranks by his party

CONTROVERSY over Soviet censorship touched off by the production of the "Metropol" almanac. a "Metropol" almanac a collection of stories and poems that was condemned by the Soviet authorities - is now coming to a head.

Four of the Soviet Union's best known writers have threatened to resign from the official writers' union unless two young colleagues who collaborated with them in the produc-tion of Metropol are reinstated in the writers organisation.

literary figures.
Two other Metropol collaborators, Semyon Lipkin and exactly as written.

Ina Lisnyanskaya, have said they will also resign from the

Mr. Vassily Aksyonov, the Metropol Viktor Verefeyes, a novelist and screenplay writer critic and Yevgeny Popov, a Belia Akhmadullina, a noetess. Siberian writer. Fazil Iskander, a novelist, and The Metropol almanac is an Andrel Bitov, a novelist, are anthology of original prose and the four writers who have poetry by 23 Soviet authors, threatened to resign. They are half of them writers union among the Soviet Union's best known and most widely read union on January 18, with the literary figures. unprecedented collective demand fliat if be published

The writers' union angrily rejected Metropol but there are union unless steps are taken to plans to publish the 700 pages reinstate the two youngest and typewritten manuscript in the least known contributors to U.S.

## E. Berlin move splits coalition

LEADING FIGURES in the France and the U.S. have also Without singling on Herr Free Democrats (FDP) and condemned the East German Bahr by name evidently for Social Democrats (SPD), decision as a violation of the the sake of preserving at Ress.

German coalition, appear to be at odds again over their joint policy towards Eastern Europe, following East Germany's latest move to draw Berlin closer into party manager and formerly a ments with the treaty and formerly a ments. Free Democrats (FDP) and condemned the East German Social Democrats (SPD), decision as a violation of the partners in the ruling West 1971 Four Power Agreement. its political orbit.

Herr Hans-Dietrich Genscher, the Foreign Minister and FDP chairman, strongly protested at German parliament's decision directly to elect East Berlin city

key negotiator in some of the only obscure the German "Ostpolitik" treaties with position he said Eastern Europe. Herr Bahr has urged the Government to consider a retaliatory measure the weekend against the East against . East Germany: the direct election of West Berlin

Leslie Coliff adds from Berlin: The Soviet Union has rejected western protests over the East German decision to end the special status of the city's deputies.

## Oil worries W. German industry

deputies to the West German

Bundestag (the lower house).

BY ROGER BOYES IN BONN

deteriorate over the next six months, principally because of the recent round of oil price a drop in demand from basic. prises and overall energy prob-lems. Nevertheless they are white the steel industry, by congenerally sticking to their plans to step up production and order levels are high in all sectors. These conclusions emerge

from the monthly survey of business opinion carried out by the Munich-based IFO económic institute. According to the survey, many more manufacturing companies are now reckoning with rises in raw material prices and higher production costs.

The IFO survey shows that each sector has drawn predict-

qualified optimism. The chemical industry is expecting optimism. trast, as reckoning with a continuation of the slight market upswing it has been experiencing all year. The paper industry expects to suffer from serious supply problems in the next six months.

maintaining the good health it has shown over the past three months. Order levels were high the electrical engineering and machine construction industries. But here too industrialists recorded uncertainties about the possible consequences of the ably different conclusions from energy crisis. Quite apart from

The capital goods sector is

WEST GERMAN manufacturers the energy crisis but the general higher finel costs, compulsory expect the business climate to sentiment is that of heavily energy saving measures could energy saving measures could blte into production and reduce HATEINS. A similar sense of restrained

optimism came from wholesal traders in raw materials and semi-finished goods who are reporting good business. Real unnover was up in May especially for construction relate goods, which are ricking the crest of the building boom. Orders in hand in the construction industry stood at a seasonally adjusted 3.4 months at the end of May and com-panies reported that production would be increased ever the next two months:

The industry's problem continues to be a lack of skilled

## Bundestag faces its crisis of conscience over war crimes

today decide the fate of the socalled "statute of limitations convicted. on murder," which is proving to be one of the most delicate issues in the political life of post-war Germany.

Under the statute—due to take effect at the end of this clans who support the statute. year—people suspected of committing murder (including war-whether some kind of accommotime genocide) 30 or more years dation should be reached with ago may no longer be brought the past.

for the statute, which has been Democrats, asked recently, in extended twice now, is that it continuing trials of wartime is extremely difficult to murderers when the almost guarantee a fair trial after such inevitable acquittals did notha long time—witnesses have ing but damage the reputation often forgotten the main details of the Federal Republic and tarof the case and, especially in nish its image abroad. the case of war-time killings, witnesses are difficult to trace, having dispersed throughout the world.

Majdanek concentration camp deeds are concerned—but is guards demonstrates the diffi- dark and confused when we culties. Most of the witnesses and many were ill and unable accused. to testify in persons. As a result, investigations lasted 16. a few Christian Democrats, years, and there was not enough feel, however, that the statute evidence to convict some of the should be extended or abolished

THE WEST CERMAN Bunde- 1978, over \$4,000 cases were respect for the relatives of Nazi stag (the lower house) will opened against suspected war victims. The thought of a criminals, but ony 6,500 were

The issue, however, goes beyond the question of legal expediency, although this is the argument most frequently used by Christian Democrat politi-Was there any point, Herr

The main legal justification Benno Erhard of the Christian Herr Erhard, in a debate earlier this year, referred to the

previously "deep uncertainty." The truth "is like an open The recent trial of 14 book before us as far as the examine the individual responwere living in Eastern Europe, sibility and personal guilt of the Many Social Democrats; and

victims. The thought of a murderer not being brought to trial simply because he had hidden up to now is, they say, intolerable. Chancellor Helmut Schmidt has also called on the Bundestag to provide for the continued prosecution of Nazi criminals. If the statute is enforced, he has argued, former Nazis would be able to boast of their crimes without running the risk of imprisonment. Herr Schmidt is also aware

of the considerable sequences for Germany's standing in the world if immunity were granted to war criminals. There would above all, be repercussions on Bonn's relations with Eastern Europe. Poland has been particularly assiduous in gathering evidence against German war criminals-218 of the 242 cases opened in 1977-78 were based on documents sent from Warsaw. Both the Soviet Union and Poland continue to try those of their citizens who were involved in genocide during the German occupation —and<sup>·</sup> both countries have warned Bonn against enforcing the statute.

Israel and

Democrat member of the Bundestag, and a former Interior Minister, has suggested that a strict distinction be drawn between murder and genocide. The statute of limitations could then be applied to cases of ordinary murder, while mass killings would still be liable to prosecution.

awkward legal

expressed concern. Partly to year time lag and after the meet this international criticism. harrowing experience of contion of the murderer would be extremely difficult. Most witnesses were also denied watches and calendars when the crimes took place, causing further complications. The Maihofer proposal has so

far attracted little support in the Bundestag. Yet supporters of the statute But this has raised some claim that its enforcement need questions, not signify complacency about

West Germany's "Statute of Limitations on Murder" is proving to be one of the most delicate issues in the Federal Republic's political life: ROGER BOYES reports from Bonn.

Statutes of limitations, for the past. They point to repeated instance, have already come into effect for such related crimes as deportation, so that a court would have to prove that the suspected murderer had actually pulled the triger and was not just an "accomplice case would then become almost defendants. Between 1945 and altogether, if only out of European countries have also impossible to prove: after a 35- Democrats, and a Socialist

cases of local politicians being forced out of office because of the unearthing of anti-Semitic writings or even more un-savoury pasts. The former Prime Minister of Baden Wuerttemberg, - the to murder." The prosecution European election candidate of

senator in Bremen, have all been forced to resign because been forced to resign because critics) as a nolitical issue. It of a recent revelation about is the same series of party their war records.

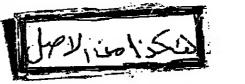
which is not so much rooted parties. in the quest for justice as in the search for party political midst of a strategie with the advantage. The case against a Bavarian-based Christian Social

portrayed (usually by Left wing their war records.

With this kind of vigilance, the present debate about the some supporters of the statute statute of limitations. The vote have been saying, there is no is to be treated as a matter of need for foreign countries to conscience rather tight a matter fear that West Germany is for party whips but even this becoming tolerant of Nagi decision was arrived at aftercrime. But it is a "vigilance" weeks of discussion between the Christian Democrats, in the

suspect is usually leaked Union over who should become initially to journals which are their candidate for Chancellos politically opposed to the in the next Sumlestag elections. intended target, and the infor- have been anxious not to add to mation is seized upon as legiti- the hist of their public mate assumination by the local squabbles. There is a youth rote opposition parties. to be won at the general elec-To make the criticism stick, tions next year, and the there has to be evidence that Christian Democrats do not the politicians in question were: want to be identified as the more than just members of the party which is soft on war. Nazi party. Both the former griminals. The Socialist Free Chancellor, Herr Kurt-Georg Democrat coalition in also Kiesinger and the present Prest divided. The free vote is dent. Dr. Karl Carstens, were seen as the best formula to members, and Dr. Carstens was encompass such views as those even a member of the SA brown of Herr Herbert Weblier, the shirts during the mid-1930s. Socialists parliamentary leader. There is no suggestion that ("Murder is mornier and should There is no suggestion that (murder is marger and snorm either man was implicated in not go unpunished), and those atractiles or political violence politicians who believe that of any kind.

Their past, though, is often approximated.



## Iran Budget 17% down on Shah's

IRAN S. JUST AMENING Budget ment to approve the Budget, as since the Revolution is to be in the past, Mr. Mointar's out-a conservative one of AAIOn line, at a Press conference on take (Dib. 700) or IV per cent. Sunning can be regarded as alders on the tast Budget pre-most final parent for the Shah's Govern. It is known that the Budget parent for the Shah's Govern.

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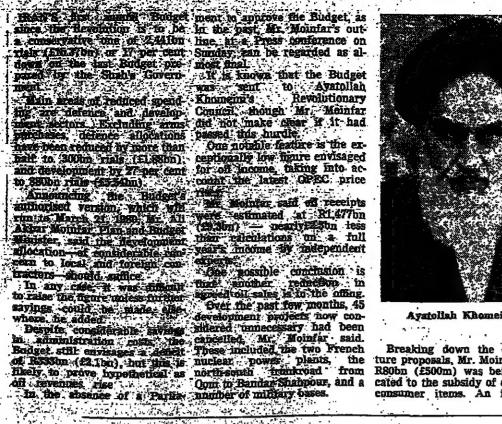
GFFICIALS IN Salisbury ex-

present "delight" pesterday at hirs: Margaret Thatcher's prediction that the British Per-liament is militaly to renew aconomic sangtions against Zanisabye Rhodesia in Novem-

On the Manhabre Bharcesia stock exchange mining share prices moved better on London buying (via Johannesburg) with Warkie in some demand.

Businessmen here take the view that the lifting of sanctions will not transfer the oniflook. It is acknowledged that the main threat to the country comes from the initiary situation rather than from sanctions.

One informant estimates that the war is now casting about 40



Ayatoliah Khomeini

Breaking down the expenditure proposals, Mr. Moinfar said R80bn (£500m) was being allocated to the subsidy of essential consumer items. An identical

prising 2,500 men, trained by Belgium.

Angola and Zaire has reduced

fears of another rebel invasion,

any more successful in main-

taining law and order in Shaba

than other elements of the

poorly disciplined Zaire forces.

will be essential if Zaire is to

keep the European mining

engineers whose expertise is

necessary for the running of the

Simoner, the Belgian Foreign

Minister, visited Shaba last

week and heard a long list of

lack of security.

mines. M. Henri

A stable atmosphere in Shaba

A rapprochement between

additional sum, will cover expected losses by state companies. No provision has been made in the Budget calculations for revenue or expenditure concerning the recent nationalisation of the banking and insurance industries.

Nor have figures been put aside for compensation to shareholders in manufacturing industries due to be taken over soon. For the first time in recent years, Iran's envisaged spending on arms purchases from abroad was disclosed. This was put at

R70bn, less than £500m-about

a third of what is believed to

have been recent annual spend-

This still not inconsiderable figure is believed to be largely accounted for by the purchase of spare parts and ammunition and residual payments on weapons deliveries too far advanced to cancel.

Among other allocations in the Budget are R20bn (£131.5m) for the petrochemical industry, R20bn for gas transmission lines and R30bn for expansion of industry."

#### Hoss invited to form Cabinet

By thean Hijazi in Beirut PRESIDENT Elias Sarkis of Lebanon yesterday asked Dr. Selim al-Hoss to form a new Government.

Meanwhile, an IMF team has been visiting Kinshasa for more discussions on a \$150m stand-by loan which was to have been approved several months ago. but there remain doubts whether the new brigade will be Dr. Hoss, who has been in office in a caretaker capacity since he and his Cabinet resigned about eight weeks ago, said he will begin consultations

> President Sarkis's decision to designate Dr. Hoss as head of a new Administration is seen here as an attempt to break the political deadlock. There is no certainty that the

Premier-designate will be able to announce a new Government soon, because of conflicts among grieevances from Belgian politician: about the type of expatriates about banditry and administration that should be

#### Mulder summoned for contempt

DR. CONNIE MULDER, the former South African Minister of Information, is to be charged with contempt for refusing to give evidence to the Government inquiry into the secret operations of his former department.

His lawyers have been served with a summons for him to appear in court in Pretoria on August 1, making Dr. Mulder the first participant in the information scandal to face a charge.

The decision to prosecute comes a few days after Dr. Mulder, once their apparent to Mr. John Vorster as South Africa's Prime Minister, announced plans to form a new right-wing political party to challenge the ruling National Party, from which he was expelled in December. His Action Front for National Priorities, launched last week, seeks to unite ultra-conservative elements from the ruling party with dis-grantled white workers, and Dr. Mulder's own personal following, to present a more successful alternative on the far Right than the Herstigte Nasionale Party, which broke away in 1969.

. The authorities may be hoping that a conviction will set back Dr. Mulder's hopes for a political comeback, although the offence is a relatively minor one. If convicted, Dr. Mulder is liable to a fine of R100 (£55) or six menths' imprisonment.

#### Binaisa-Nyerere talks

DAR ES SALAAM - Presidents Julius Nyerere of Tanzania and Godfrey Binaisa of Uganda met in Tanzania yesterday to discuss the continuing Ugandan crisis caused by the removal of Mr. Yusufu Lule from the presidency.

The meeting at Mwanza was the first between Dr. Nyerere and Mr. Binaisa since the latter was sworn in two weeks

## **UAE** completes Cabinet

NEW Government for the announced at the weekend of Planning. It was generally nearly two months after Sheikh believed that Sheikh Rashid Rashid, the Ruler of Dubai and Vice-President of the UAE. undertook a mandate to form

After the long delay the announcement came as something of an anti-climax, with few changes of significance or regarded by the more conservaany indication of the policies tively minded rulers as having that Sheikh Rashid will pursue been behind demonstrations in to break the deadlock that has the spring in favour of greater paralysed the development of months.

Sheikh Mohammed bin Rashid, continues as Minister of Defence, Mr. Ahma al-Suwaidi as Minister of Foreign Affairs, tional crisis over the form that and Dr. Mana al-Otaiba as

One surprise is that Mr. Said United Arab Emirates was Gorbash is retained as Minister among the seven emirates rewanted to dismiss him.

He has made only four changes. The most important involves the dropping of Mr. Abdullah Taryam, who was Minister of Education. He was unity of the country. His the federation for the past 18 brother, Mr. Omran Taryam, Speaker of the Federal National Council, was the principal instigator of a memorandum issued in the name of the assembly which triggered off a constitucloser links among the Emirates

· The distribution of portfolios mains the same, with representatives from Sharjah and Ras al-Khaimah each holding two. This is seen as an indication that Sheikh Rashid will want to maintain a loose federal structure in opposition to those who want greater unification.

Differences between Sheikh Rashid and Sheikh Zayed about the nature of the federal government have ham-strung its workings. The Ruler of Dubai wants to cut down the size of the union bureaucracy, which currently employs no fewer than 32,000 civil servants, while decentralising its operations. In return, he has pledged to hand over half his petroleum

## U.S. warning on 'boat people'

BY PHILIP BOWRING IN HONG KONG

THE U.S. has privately but of State for foreign affairs, have Vietnamese refugees, the second firmly told the countries of been making similar points in biggest boatload to reach South East Asia that they must Kuala Lumpur, though so far Malaysia since 1975, was towed provide a temporary home for there is no indication that out to international waters, the refugees from Vietnam if Malaysia is prepared to soften Hong Kong, which at pres they wish to receive the full its stand. co-operation of America in resettling them.

The warning was made by Mr. Cyrus Vance, U.S. Secretary of State, to the Foreign Ministers of the Association of South East Asian Nations, which groups Indonesia, Malaysia, the Philip-pines, Singapore and Thailand. Only three days ago, the ASEAN Ministers issued a joint

communiqué specifically reject-ing the need to offer a first asylum for refugees. This principle is an obligation on members of the UN, but the

ASEAN countries not only said they would refuse to accept new arivals, but would forcibly return refugees already accepted by the UN High Commission for Refugees. ASEAN Ministers are now

clearly reconsidering their position after meeting Mr. Lord Carrington.

Secretary, and M. Foreign Olivier Stirn, French Secretary

Yesterday, a boat with 950 to help.

Hong Kong, which at present houses more than It has turned back or shipped refugees, has suggested that

out to sea more than 15,000 unless Britain sets a lead in refugees since the Government announced it would accept no further "boat people." unless Britain sets a lead in resettling refugees from the colony, little chance exists of persuading the rest of the world

#### Japan's Kampuchea move

JAPAN has launched an initia- talks were still at an early stage. tive aimed at convening a conference to discuss a political solution to the turmoil in Kampuchea. In pursuit of this plan, emissaries were recently sent to both Peking and Hanoi.

Mr. Sunao Sonoda, Japan's Foreign Minister, said at the meeting of ASEAN Foreign Ministers here yesterday that he was exploring the idea of such a conference in discussions with his ASEAN counterparts.

give further details, while public, a position of interest ASEAN officials emphasised that

The fact that Japan has, on its own account, launched an initiative on the critical Kampuchean issue is seen as an indication of Japan's new and more active role in regional political affairs. Whether or not the idea makes any headway, it may prove a watershed in Japanese post-war relations with South East Asia. Hitherto, Japan has preferred to follow events, and particularly to follow U.S. policy. The U.S. knew about the Japanese initia-Japanese delegates declined to tive, but is maintaining, in

without involvement.

#### Ethiopians mobilise for new Eritrea offensive

the informent estimated that drawn in stages over the next three months and replaced by the next of the national budget.

ETHIOPIEN FORCES, sufficient the guerilles, who use Sudaness by Russian advisers are territory as a supply rente to mobilising for a renewal of their their bases, he said.

Officially against querille forces to their bases, he said.

Sudan whose armed forces in the Red Sea province of are much weaker than those of Ethiopia, would be hard-pressed liberation. Entity to defeat such an incursion.

The reference that any Ethiopia would be far that Ethiopia. Inheration Emmi (EPLF) believes that an Ethiopian attack is moniment and that it may involve an incursion across the bonds; into Sudan to cut the guerrilla's supply lines.

The sim of the Elimpian effensive would be to crush the lest registance of the guerrillas, who have been fighting for the independence of Entires for

The layer been fighene for the interest of the said and sections and material canic term guerishes out of almost all the would minor they held and pushed them back to the mountainous bother to of the province. Ethiopia Ethiopia Ethiopia in 1952, be assistant sected in good the EPLE said that the guerishes extended in good the EPLE said that the guerishes extended in good office, staging ambushes on the sections, extended in good office, staging ambushes on the sections. Ethiopia last year tenth of the 40,000 to 50,000 men he claims Ethiopia lost in the successive stages of its offen and evidence of an Ethiopian President building accompanied by a layer advisors, in western Ethiopia Ethiopia arms the Stockers hards against the Stockers and the string advisors, in western Ethiopia the Stockers in western Ethiopia

'Delight' over - Shaba peace-keeping force

BY MARTIN DICKSON

mining area.

force is about to start a phased

withdrawal from Zaire's Shaba

province leaving a doubt about security in the vital copper

The 2,400 man inter-African

forgs, comprising proops from Mainreo Togo, Gabon, Senegal and Ivory Coast, was sent to defend Shaba last year after French and Belgian forces had

helped to repulse an invasion of the province by Angola-based

The peacekeeping force, about 1,500 members of which are Moroccas, is being with

prepares to withdraw

A PAN-AFRICAN peacekeeping Light Infantry Brigade, com-

Despite tthe fact that Ethiopia has in the past year deployed about 120,000 troops and ex-femily heavy firepower, Mr. Issayas predicted that Ethiopia would face supply and logistics problems, due to guerilla actions in the rear, as well as dissension between Ethiopian officers and their Russian

He said that the barsh vol-

canic terrain of the Sahel region where the guerillas are based would minimise the utility of Ethiopia's tanks and artiflery. Entirea was federated with Ethiopia by the United Nations in 1952, but the federation was dissolved in 1962, since when for total separation. After the setbacks the Eritreans suffered last year the two main guerrilla groups, the EPLF and Eritrean Liberation Front (III)
announced a greater willingness
than before to negotiate with
Estiopia. But talks between
President Nimairi of Sudan and
Col. Mengistu Halle Mariam of
Estiopia last February in Sierra tary advisers, in western Eri Leone failed to pave the way tree pear the Sudaness border to a negotiated settlement and This might be simed at driving did not improve the poor related between Sudan and tions Sudan has with Ethiopia.

All of these securities having been sold, this announcement appears as a matter of record only.

## \$200,000,000

## Mellon National Corporation

#### Floating Rate Notes Due 1989

(Convertible by Holder Prior to June 15, 1988 Into 81/2 % Debentures Due 2009; Convertible by Mellon National Corporation After June 15, 1980 and Prior to June 15, 1988 Into Fixed Rate Debentures Due 2009)

Interest on the Notes for the period June 15, 1979 through December 14, 1979 will be at the rate of 11.50% per annum. The interest rate per annum for each semi-annual period thereafter will be .50% above the then current "interest yield equivalent" of the market discount rate for six-month U.S. Treasury bills, subject to a minimum per annum interest rate of 6%.

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July, 1979

## Iran nuclear project nears collapse

BY ANDREW WHITLEY IN TEHRAN

Kraftwerkunion, the German engineering concern, the care and maintenance of be unhappy about the Atomic ment project, the \$6.9bn decision to take over the they could do it on their own,"

(£3.2bn) twin nuclear power management of the Bushire one West German involved in stations under construction at site, as they consider there are the project said. Bushire on the Gulf.

4

Work stopped on the project last January, and there are no immediate prospects of resumption although construction is 80

per cent complete. of Iran's once highly ambitious 10,000 km (6.250 miles) trans- Bulgaria, Greece and Turkey. nuclear power programme, confinental motorway from the deepened yesterday when Mr. Baltic Sea to the Mediterranean Ali Akbar Moinfar, the influential Plan and Budget Minister. Europe and the Mid-East, was reported as saying he was Romanian officials report. personally opposed to the con-struction of nuclear power

THE SUMMER months will see

a flurry of activity between Mexico and Japan as efforts are

Sr. Jose Diaz Serrano, the

men, bankers and technicians

have been constantly flowing be-

tween Tokyo and Mexico City since Sr. Jose Lopez Portillo,

the Mexican president, visited Japan last November. Japan

had a trade surplus with Mexico last year of \$238m

There are three points of

interest: Japan's eagerness to

purchase Mexican crude and on

capitalising on Mexico's need

for expertise in building in-

dustrial and port complexes on the Pacific and Atlantic coasts

and in electrifying its railway

Oil, of course, is the chief

Japan has to import 99.8 per

cent of its oil and is looking for new sources. Mexico is not

a member of OPEC, is regarded

as a stable country and, with

potential hydrocarbon reserves

of 200bn barrels, is a long-term

While Japan is clearly anxious to secure a long-term

commitment from Mexico the

matter is far from cut and dry.

attraction.

source of supply.

West site was earthquake prone. Kraftwerkunion is known to installed,

insufficient Iranian nuclear

"We never thought they Energy Organisation of Iran's would be as foolish as to think

after the equipment already

No negotiations are in pro-

Mideast road link plan

Japan woos Mexico over oil

BY WILLIAM CHISLETT IN MEXICO CITY

Mexico's price was higher Mitsui trading company, the

BUCHAREST-Ten European Pessimism over the future countries are expected to join to provide a rapid link between

The North-South traffic route is to include existing roads. But, in addition, each country parti-He said they were uneconomic cipating in the project would and in the case of the West be required to contribute to German reactors be raised a road improvement.

than OPEC's prior to the recent

OPEC ministers' meeting. While

such matters, knowing full well

In this respect it is both amusing and noteworthy to see

that a sense of rivalry has

developed between different, private interests in Japan.
On the one hand the powerful

MEXICO'S TRADE deficit in

the first five months of this year was \$982m (£480m), 49

per cent more than in the

same period last year, according to figures published by the

Mexican Institute of Foreign

The sharp increase in the

deficit confirms the pattern of

rapidly rising imports as

industry starts to expand after

a period of recession and the

failure of exports, other than

Imports totalled \$4.2bn and

exports \$3.2bn. Not count-

ing oil, exports only increased

Oil exports were worth

imports rose by 48 per cent.

oil, to make headway.

Mexican deficit rises

made to intensify commercial Mexico's relative price is now

relations between the two coun-tries. uncertain, Japan does not appear likely to haggle over

head of Pemex, the Mexican that Pemex can always sell else-

Mexico later in the month and linking the purchase of oil to

the foreign minister in August. Mexico's industrial needs.

Meanwhile Japanese businessIn this respect it is

state-owned oil corporation, is where. But as a country with credit. keen to visit Tokyo early this a keen sense of business it. On to month, Japan's trade and industry ministers plan a visit to possible. This could involve have for the possible of the p

Czechoslovakia, Austria, Italy, of the project, the last survivor in the construction of a Hungary, Yugoslavia, Romania, Called the European Autostrada, the project was reported to be projected for completion by 1990. But no cost estimates

ere announced. Officials said planning work was financed by the UN Economic Commission Europe (ECE) and the UN Development Programme AP-DJ

Mitsubishi trading company, and

the Japanese Industrial Bank, the country's largest private

bank for long-term loans, are

making a joint approach to

On the other hand, Japan's

private oil-importing companies

have formed another bloc, but

apparently have not offered

credit. They are the logical

buyers, as they have the distri-bution network, but the other

group is pushing hard with

Pemex waiting to see how this rivalry resolves itself.

A far more serious problem

\$1.1bu, 133 per cent more than in 1978 and 36 per cent of total exports. This was

followed by coffee worth \$272m and tomatoes at \$160m.

Manufactured goods increased

by 24 per cent to a total of just over \$1hn.

capital goods, a weak sector

in the economy and a constant

strain on the balance of trade.

Imports of machinery, electri-

cal parts, and precision instruments contributed 83

per cent of the total imports bill. The Government is

giving high priority to the

capital goods sector and offer-

ing fiscal incentives for the

establishment

industries.

The imports bill was largely

Pemex to buy the oil and, as a sweetener, have offered cheap credit.

a long and costly journey if it can only bring in small tankers. The Mexican Government is now

IRAN HAS taken over from safety consideration, saying the technicians available to look gress on whether or not work time the Iranian Government is making clear by other means that there is likely to be little future role for the German

> been issued for only 186 expatriates employed by Kraftwerkunion and the construction consortium HDG, Hochtief, Dyckerhoff and Widman.

months and thereafter the number will be reduce to 50. At its peak, 3,000 West German technicians and their families were living on the site.

Work began on the nuclear plants some three and a half years ago and progressed Completion was due rapidly. for late 1980 and early 1981 for the two units, and Iranian officials frequently preised the quality of the West Germans'

for Japan is Mexico's lack of

deep water ports on the Pacific

coast. Until there is a clear

indication that ports will be

enlarged, Japanese importers

will be reluctant to make such

carrying out a ports study.

Mexico will also have to build

a pipeline across country to

move the oil to the Pacific coast

from the major oil fields by the

Oil could be piped over to Salina Cruz on the Pacific Coast.

and Japan could provide loans

for the pipeline as the Mexican Government intends to finance

the building of industrial com-

plexes near coastal areas from

Mexico may require Japanese

participation in the second stage of the expansion of the

steel mill at Las Truchas. Nip-

pon Steel, Kobe Steel and Sumi-

tomo Metal Industries are in-

volved in talks with the Govern-

ment. A decision has yet to be

taken on who will be involved

There is no doubt that the

Japan needs it, and Mexico

has publicly stated that it wants to diversify its oil exports away

from the U.S. and reduce its

share from its present 85 per

cent to 60 per cent. If this is

so then Japan could be import-

ing 200,000 barrels a day from

daily production of 2.25m b/d

Mexico by the time it reach

at the end of 1980.

will is there to buy the oil.

in this steel expansion.

Gulf of Mexico.

its oil revenue.

## companies. Temporary work permits have

engine jet over the rival European Airbus A-310. These are valid for three

Monday, to vote on a proposal from the technical staff of the airline that it should buy up to 30 Boeing 767s, worth eventually over \$1.5bn including spares.

European aerospace industry is that the vote will be in favour of Air Canada buying initially 12 Boeing 767s, with an option on another 18 air-

Original pressures by the Canadian Government on the airline in favour of the European A-310 appear to have faded following the defeat of Mr. Trudeau's Government in the recent general election,

The Air Canada deal, if

Among the technical reasons cited for Air Canada's preference for the Boeing 767 are that it has a bigger wing than the A-310, giving improved performance over

But another factor is that

#### Martinair in £71m Airbus acquisition

MARTINAIR, THE Dutch charter airline company, has ordered three A-310 Model 200, Airbuses at a cost of more than F1 300m (£71m). The aircraft, to be delivered beginning in 1984, will replace three DC-9s now in service. Two will be con-vertible, in that they will be able to be used either solely for passenger or freight, A310 has been ordered in this

#### Air Canada | Third World still opposes nears new aircraft decision

Aerospace Correspondent

AIR CANADA is on the verge of a major re-equipment decision for short-to-medium range airliners, with its choice believed to be in favour of the Boeing 767 twin-

The airline's board is due to meet in Montreal next

The belief in the U.S. and

approved, will be the first major order for the 767 outside the U.S. Already, firm orders for the 767 amount to 84 aircraft from four U.S. airlines (United, American, Delta and Pacific Western), with options on another \$1 aircraft.

the European aircraft.

the Canadian aerospace industry, already closely associated with Boeing on various civil and military programmes, could get some offset work as a result of the Air Canada

By Charles Batchelor in

version, Martinair said.

## GATT safeguards code THE COMMON Market has (MTN) to supplement, and he used in very exceptional received a stern reply from modify existing GATT rules circumstances after provising developing countries to its pro- which govern most of the non- clear proof that cheap imports.

posais on an international code allowing industrialised nations to siap on import curbs to safeguard home producers against excessive competition from cheap foreign goods.

said they will not accept any code which does not oblige the government imposing the safeguard measures to first consult yet satisfied that the separate with the exporting country concerned and also obtain approval their advantage, from a committee responsible. The proposed

under way here intermittently Long, director-general of the will allow its member states to General Agreement on Tariffs curb cheap foreign imports if and Trade (GATT), the world's they endanger home industrial watchdog body trade watchdog body.

Communist world's trade Several MTN codes were com-

Third World countries have so troubles: far refused to sign a final document ratifying with the codes The developing countries have - The document has been aid they will not accept any signed by all the industrialised countries but Third World nations have said they are not codes in the package are to

The proposed code on safeguards is the most important for running the code.

The reply was given in element of the MTN package informal talks which have been The Common Market, with lukewarm backing from the more

they endanger home industries. The developing countries are The code is to be part of a bitterly against this interpreta-package of trade codes being tion of safeguard measures and negotiated in Geneva in the insist that the code should be multilateral trade negotiations seen only as a safety valve to

rather than other factors, such as managerial inefficiency, are

pleted last April but most the cause of home industry The existing Article 13 of GATT has so far acted as the safeguard clause but was rarely used because it obliged the even-try invoking it to curb imports

from all source

The Common Market is now arguing that such blanket curbs are unfair because they penalise small exporters as well as the large ones whose products have caused the difficulties. For this reason the Community wants the right to apply safeguard import curbs selectively against products from specific countries.

The Community, the U.S. and
Japan agreed in April that they

will try to wrap up all major elements of the MIN by mid-July. Third World negotiators are marking time in the hope that the Community will soften its position nearer this deadline

## Italy seeks more Soviet oil

ITALY is seeking to increase talks with Soviet officials.
its imports of oil and natural The Soviet Union curr gas from the Soviet Union, both to offset in part shortfalls in oil supplies from Iran and to help cover future domestic energy constantion.

This was one of the main issues discussed by Sig. Ginlio Andreotti, the outgoing Italian. Prime Minister, during a brief risit in Moscow at the weekend on his return here from the Tokyo Summit.

Sig. Giorgio Mazzanti, chair-man of Ente Nazionale Idrocarbori, the Italian state agency, co-operation agreement on is now expected to hold further prices with the Soviet Union is

The Soviet Union currently

supplies Italy with natural gas equivalent to 6.5m tonnes of oil and a further 6m tonnes of crude. These imports cover bout 10 per cent of Italy's overall annual energy requirements.

The Soviet Union is now understood to be willing to increase natural gas exports to Italy to the equivalent of 10m tonnes of oil a year, but are asking for an adjustment in prices.

Italy's current economic

scheduled for renewal next Moreover, the Soviet Union also appears interested in expanding collaboration with a number of leading Italian enter-prises in the petrochemical said nuclear energy fields.

To this end, Italy is expected to open negotiations with Moscow for a new export credit line to the Soviet Union towards the end of this year. During the past months, ENI

has been negotiating a number of agreements with all produc-ing countries, including Saudi Arabia and Iraq for additional oil supplies this year.

## Cold store group expands | West Malaysian

BY PAUL TAYLOR

THE O'GORMAN GROUP, the group recently completed a UK-based cold store construction and industrial refrigeration Christian Salvesen at Chateaution and industrial refrigeration consultants, has set up new offices in Europe and the

The move is part of an export drive designed to capture a one of its UK plants has formed 250m share of the growing a new company in France overseas market for cold stor- It has also opened offices in age plant within the next five Paris, and has established a

The group, which moved into the export market only 18 months ago, has won a £7m contract for three 910,800 cu ft

neuf-sur-Loire, France. As a result, the group, which manufactures high quality modular insulation panels at

joint company with Dubai construction company, joint company with Arabtec, a

The group's turnover is expected to increase from £10.6m in 1977/78 to between

surplus rises By Wong Sulong in Know Lumpur

WEST MALAYSIA'S trade balance source to a record surplus of 1,380m ringgits (£306m) during the first four months of this year, compared with a trade surplus of 253th ringsits during the same period fast years

The commonty boom and higher output of crude oil from the east coast state of Trensganu were mainly responsible for this big jump. The Statis cold stores in the United Arab f17.5m and \$18m in 1978/79 ties Department said that Emirates.

The cold stores are at present ning at an annual rate of about totalled 5.710m ringgits against

# When doing business in Saudi Arabia, the first thing you need is a second bar

The Saudi market is no more difficult than

any other. But it is different.

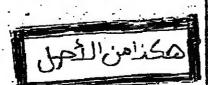
Which is why the first thing you will need is a second bank, which is international and has special expertise in Saudi Arabia.

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### Rise in machine tool business THE VALUE of world machine-

tool production was more than \$19bn (£8.8bn) last year, according to estimates of the European Committee for Cooperation of the Machine Tool Industries (CECIMO). Of this total, almost 75 per cent is said to have been accounted for by

The main rentres of machineool manufacturing are given as Western Europe, with some 40 per cent of the whole, Eastern Europe with 24 per cent, the United States with a share of 17 per cent and Japan with one estimated at 13 per cent. The remaining 6 per cent came from ten further countries, primarily in South America and South-east Asia.

Competition from

conventional types and at prices considerably below those offered by manufacturers in Western Europe, the U.S. and Japan. These are seen as being forced to develop models with more advanced technology. improved product reliability and after-sales service.

Western European countries are stated to have purchased machine tools worth more than \$5bn in 1978, thus accounting for more than 27 per cent of world demand. Some 50 per cent of this value is accounted for by trade between these

The committee reported a rise in machinery investment,

producer countries is said to be following the 1974-77 recess growing, with producers there in the German and Fra able to delivery machinery of markets and to a lesser exin the German and French markets and to a lesser extent in Italy and the Kingdom

According to Sig. tool exhibition (EMO) to be held in Milan this Octobe Germany, France and the United Kingdom are currently the volume of new orders.

Delivery dates average eight to nine months in thes countries and in Italy. I Switzerland, another leading machine-tool producer, work or hand is equal to months production, and sho delivery dates are attributed to the smaller average size of

# Hargreaves profit maintained despite exceptional conditions

 But for the exceptionally severe weather and third party industrial disruptions in the first three months of 1979, the profit for the year ended 31st March would have been significantly higher.

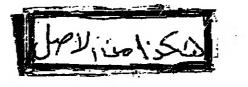
Turnover rose 8% to £165.7 million and pre-tax profit was maintained at £3.4 million. The total dividend per share was increased to 3.592p.

 The proposed rights issue of one-for-three will strengthen the Group's capital base and enable it to take advantage of opportunities for growth.

Copies of the Report and Accounts are available from the Secretary well the Half, Brambam, Wetherby, West Yorkshire LS23 6 LP Telephone: Boston



Commercial vehicle distribution, contracting and waste dispess fertilisers; fuel oil and solid fuel; plant hire; quarrying; transpo



## Eniroyal fights order alleging ich discrimination

BY JOHN WYLES IN NEW YORK

U.S. thre producer, vesterday went to court in Washington DC 10 fight a Labour Department order preventing it from receivcontracts because of alleged upb

The order was issued by Mr.

Pay Marshall, the Labour Secreings which found that the company had discriminated against famale workers at his Mishawaka, Indiana plant.

in addition, it was decided that Uniroyal had breached contractural obligations to the Government by refusing 16 cocoperate with an investigation into charges of discrimination.

Government contractor ever to face a ban under a 1965 Presidential order which prevents federal contracts being placed with companies guilty of racial

or sexual discrimination.

The irony is that its total business with the Government, currently worth about \$40m per year, is also threatened by its resem pay deal with pro-duction workers, which, accord-ing to the Council on Wage and

interested oration with Z Italian en

export cre

ting a much the oil prote

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(EMO) to b

this October nulactuten ! ्र भारते 🤨

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DESCRIPTION :

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in Italy,

elds. tiations UNIROYAL, the third largest Price Stability, breathed the Government's pay restraint guidelines

Yesterday the company filed a motion in a Federal court g any Rederal Government seeking a jempotary restraining order, pending a review of the Esbeur Secretary's decision. Univoyal said that the row stems from its closure in 1968 of footweer operations at Mishawaka

While several Government compliance reviews were con-ducted subsequent to the shut-down, no action was taken by the Department of Labour until eight years later, in 1976, when a emphance review resulted in allegations that the effects of the shutdown in 1968 discrimin-Unitroyal is the largest ated against female employees in violation of Executive Order 11246 said a company state-

> the company was being penalised the not complying with the Labour Department's pre-trial discovery rules and regulations. In seeking to enforce this, the Department had exceeded its authority, the company claimed.

SIX YEARS after the demise of has half the number of vessels tary service refers to its cost. the military draft in the U.S., it had in the early 1960's. The More than 50 per cent of U.S. Pentagon officials trooped up to stockpile of critical U.S. combat

The active army, which has been, "streamlined" down to exercises. Gen. Bernard 760,000 men and women, finished 1978 2 per cent below goal and, now is down about 6 per cent. The navy ended last year with only about 94 per cent of its projected recruits. The marines were running about 17 per cent short in the first three months of the fiscal year and even the traditionally

popular air force was about 700

short last December.

Most worrying is the shortfall in army reserves which were once filled out by young men seeking a haven from the draft. National guard units, which serve the states in peacetime and the federal government in wartime, are about 60,000. Army reserve units are about 80,000 below full strength, and the individual ready reserve— trained soldiers on standby Universal aggled that the alless assigned to no divisions—are gations were unitue and that short about 320,000 of the assigned to no divisions-are 500,000 required.

Despite the millions spent to make the concept of an allvolunteer force viable, U.S. military might is being spread increasingly thinly. The navy, plagued by a rash of desertions,

Capitol Hill recently to answer and 62 per cent of what would anxious questions about per- be needed if war broke out in sonnel shorifalls in each of the Western Europe.

Concern apparently came to a head after recent mobilisation Rogers, then army chief of staff and now NATO commander, reported, "deficiencies in our manpower base, deficiencies with our preposition war reserve stocks and an inability at this juncture for the industrial base of this country to gear up on a timely basis and produce, as required, those replacements for the tanks and artillery and the armed personnel carriers and so on lost on the battle-

With post-Vietnam feeling

still strongly against re-instituting the draft, few in the military or Congress will propose its return. Alone among the testifying officials, Gen. Rogers admitted, "if this session of Congress could instate the draft, I would be in favour of it." His colleagues from the other services pronounced themselves satisfied with the voluntary system for now, and Mr. Clifford L. Alexander, the army secretary, said that "to enact a draft, I unfair and counterproductive

Much criticism of the volun- black, and the white volunteers volunteers have high school

military spending is related to manpower and this is rlsing. cruits have surged.

Few heed the call of the Stars and Stripes

About \$80-90m are spent per year on recruiting alone. Some \$515m will be spent in fiscal

families. Many commanders, however,

say it is the most effective U.S. peacetime force of the century. It is more efficient to teach the uses of complex modern weaponry than to train reluct- ments than men.



It is one-third suring that 70 per cent of new

1979 on advertising, higher pay and a new programme of enlistment bonuses. The quality of new recruits are less intelligent than the has been hotly debated. The average of those who would be believe, would be unnecessary, army has become more representative of the American

ant draftees, who serve shorter times and rarely re-enlist. the army makes a point of en-

diplomas, the value of these so vehement that a Bill provid-U.S., educational system) is considered dubious. Average test a 50-50 chance of passage scores in the army have remained steady only because of highly motivated professionals the influx of women who must meet more stringent require-

> Volunteers are divided into four mental categories, the low-stitutionally exclude women est being category 4 (below now, it almost certainly could average but "trainable"). Due not in the unlikely event that to the exigencies of the Vietnam the Equal Rights Amendment war, nearly 38 per cent of the army draftees were drown from this category in 1969. That number has been reduced to 10 per cent.

Near the end of the Vietnam war, the army was deeply troubled by problems of discipline, drug and alcohol addictions and shattered morale. The picture has now improved, with re-enlistments up, and desertions, absence without leave and crimes of violence down.

While maintaining that the volunteer army is an improvement over the draft, the service chiefs are looking at the demonumber of U.S. males, aged 17-21, reached its high at 10.8m and is moving down to a projected total of 9m by 1990.

The end of the draft also brought about the near destruction of the selective service sysof \$100m to \$7m, and does little but exist in case of emergency.

degrees (issued by a declining ing for mandatory selective ser-

whether women would have to Although Congress could conthe Equal Rights Amendment

to the constitution being passed. Women now comprise about 14 per cent of army personne and five per cent in the marine's. Although they have been allowed to serve in most capacities, they seem to be, in the words of the Pentagon brass, "migrating from non-traditional to traditional skills. The general official attitude well, are acceptable but not necessary and are not desirable in forward fighting positions."

While Congress this year may approve mandatory registration the solution to the military's future needs is uncertain. floated—a universal draft for military and non-military service, a universal voluntary service, a reserve draft drawn by lottery. But until the voters feel some urgency about to accept any drastic proposals which will send, the draft card burners back to the streets.

#### **Executives** suffer drop in salary

PAY RISES for senior executives in medium-sized U.S. twee in menument companies were pegged to the same level as those for blue collar workers last year, according to a survey by Pest, Marwick Mitchell and Co

Overall this meant a drop fir salary and borns increases from ILL per cent in 1977 to from II. per cent in 1977 to \$5 per cent last year. PRM apeculates that the fall may be reflect. The dampening in the fall may be reflect. The dampening in the fall of the fa

tries, the companies top three officers averaged 12.4 per cent increases, compared with 12 per cent the year before. In space of this the outlook

2 random sample of 210 cam-it pamies listed in the fortune second, 500 group with amoust sales of between \$100m. annual sales of herwood should had \$450m. The survey indi-cated that the top executives in growth sectors, such as office equipment and instru-ments and optical goods, tended to be better pain than their counterparts in basic industries such as steel, food

in in a \$200m.s year office equip-lating company averaged \$250,000, \$165,000 and \$146,000 compared with \$154,000, \$101,000 and \$82,000 in food

and hourings;
The highest salary was salary was salary was officer who was not a first officer who was not a chief executive. The highest said chief executive was found to own-844 per cent of his company's stock and to have received \$555.000.

#### Support fades for lonry strike

STPPORT for the U.S. inde-pendent lory drivers strike is beginning to wans follow-ing a promise from the Carter Administration of more forth and new surcharges on the rates the drivers can charge to offset rising fuel costs, Stewart Flewing writes from

The Federal Government is also planning to set up eight safe corridors on inter-after the latest oil price class state reads to try to ensure. But the Administration mass that drivers who want to go also consider whether the on working can do so without money might not be better spentificar of violence from these in developing solar power, or who do not:

#### Oil auction attracts high bids

AFTER THREE years of legal wrangling, the U.S. put 148 oil exploration tracts of Southern California no for auction at the end of last week, and received olds worth nearly \$1bn for 55

Most of the bids were for tracts in the Santa Barbara Channel, where the nation's worst blow-out occurred, in January 1969, spilling oil over vantage 1909; spitting on over a wide erea. Despite the distant and tough local opposition from environmentalists, the channel is viewed as one of the more promising offshore drilling areas.

Apparent winning bids in the

Apparent winning bits in the author totalled \$574m, with the biggest single bid (\$61.2m) coming from a group headed by Chevron (Standard Oil of Galifornia) and including Phillips, Champin Petroleum,

ICI has been investing in U.S. offshore oil activities since 1976. and currently has interests in tracis in the Baltimore Canyon and the Guif of Mexico. The investment is being made for the figureial return, though TCI has an option to receive oil if it wants to. The final results of the auction will not be known

until next month.

The U.S. is trying to step up
the pace of its offshore explaration as part of its drive to increase domestic reserves and hoost production. Beginning next year, a new accelerated five year programme is expected to open up several new areas to exploration:

to exploration.

David Buchan adds from
Washington: Plans for a billion. dollar fund to stimulate energy exploration in Latin America re hanging fire while the U.S. Treasury weighs a proposal-from the Inter-American Development Bank that the U.S. should provide 50 per cent of the capital.

The proposal by the IADB. be provided for bank loans and also insurance against political risks echoes plans by the World countries outside OPEC to make

the most of their energy resources.

The Treesury is understood to be sympathetic to the IADE proposal, by which the U.S. would initially contribute \$375m. for insurance and up to \$175m in loan guarantees, especially

## Iraq stops unloading of crude for Canada

BY JEW RUSK IN TORONTO

Government officials, have had the carge. to intervene with the Lragiembassy in Ottawa to clear the imposed before Mr. Joe Clark, unloading of a cargo hannel for-

External Affairs Department embassy would not take place confirmed that the Government until he had received a special learned early last week that report on the issue, which there might be intercoptions in would take at least a year to the tract oil supply in retails prepare tion for Canadian plans to more Garadian officials hope that

maine, the attractic terminated which imports 10,000 to 10,000 an off pipeling which delivers barries a day, or about 15 per trade in Montreal refineries, cent of its requirements from that begin ordered to remain in line is making plans to replace international waters. However, the crude if the embargo lasts international waters.

IRAO HAS placed an embargo its cargo of crude was unloaded IRAQ HAS placed an emoargo in cargo in crede was unbased on crede oil shipments to after the Iraqi ambassador to Canada in response to Canadian queries, said that Iraq had no be long lasting. Canadian objection to the unloading of

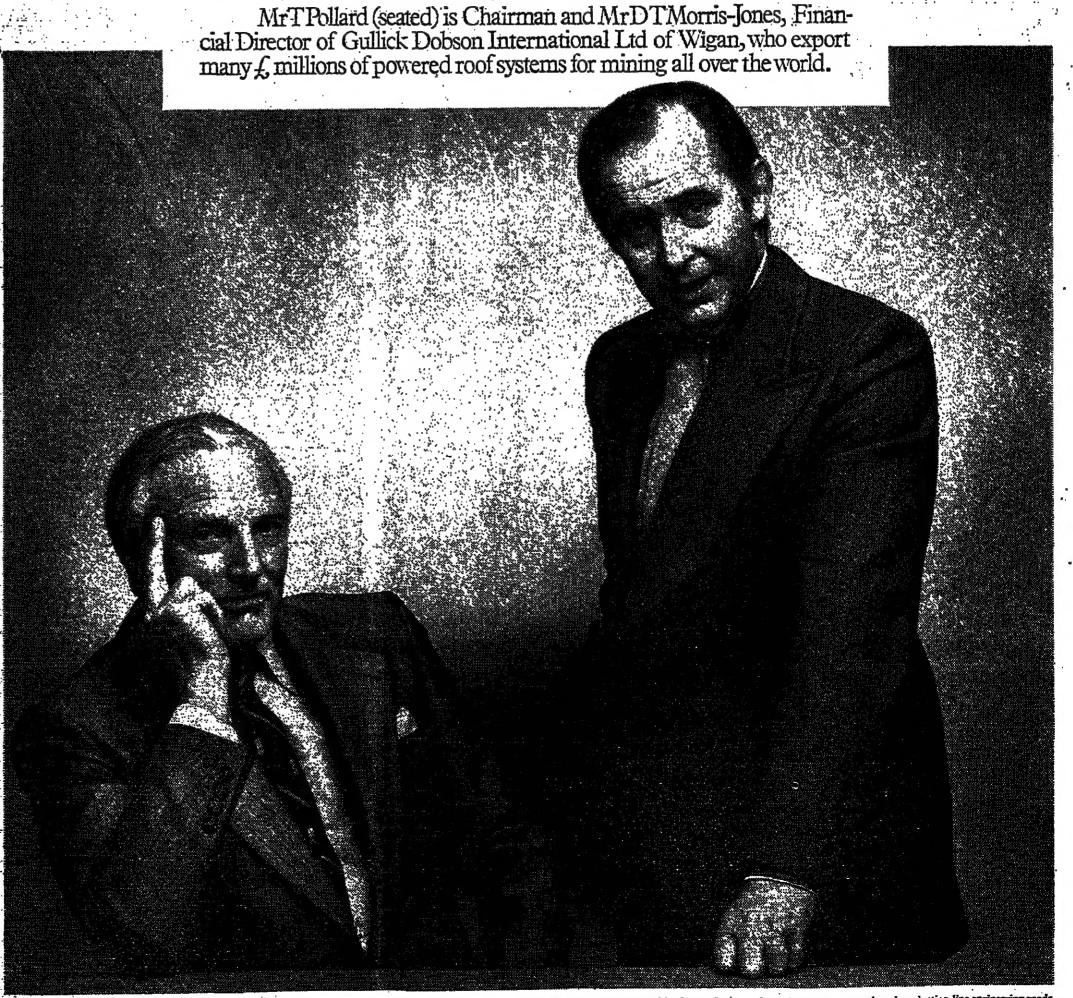
The embargo was apparently the Canadian Prime Minister, assured Middle Eastern ambas-A spokesman for the Canadian sadors that the move of the

its embassy in Israel from Tel this assurance will satisfy fraq Aviv to Jerusalem and that the embargo will be A vessel bound for Portland, called off. However, Petrofina, Maine, the atlante terminas of which imports 10,000 to 15,000

We believe in ploughing back every penny we can afford into Vinvestment, and to do that, we need predictable profits. That's why we have an ECGD insurance policy for our exports.

"It would be quite wrong for us to get a good return one year, only to have a hole knocked in it the following year because of a large overseas loss. With the worldwide expansion of our business, there are many hazards and it would be foolish not to insure the credit risks.

"So, with ECGD covering 90 or 95% of the value of our exportsat low premiums-well it seems to us an eminently sensible way of doing business"



BCGD insures from date of contract or despatch of goods. Cover is available for contracts in starling or other approved currencies for: Continuous sales worldwide of raw and processed materials, consumer goods and production-line engineering goods. Cover is available for contracts in starling or other approved currencies for: Continuous sales worldwide of raw and processed materials, consumer goods and production-line engineering goods. Cover is available for contracts in starling or other approved currencies for: Continuous sales worldwide of raw and processed materials, consumer goods and production-line engineering goods. Cover is available for contract or despatch of goods. Cover is available for contract or despatch of goods. Cover is available for contract or despatch of goods. Cover is available for contract or despatch of goods. Cover is available for contract or despatch of goods and production-line engineering goods and production-line engineering goods and production-line engineering goods.

Single large sales of capital equipment, ships and aircraft 
Constructional works contract or contract o

To make an appointment or for information connect the Information Officer, Export Credits Guarantee Department - quoting reference FTW-at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London West End, Croydon or Tottenham offices; or Joan Swalles, Information, Section, ECGD, Aldermanbury House, London EC2P 2EL. (Tel: 01-606-6699. Extr. 258).



THE newest threat to East-West

detente was raised yesterday

in the House of Commons

a growing number of Christ-

mas cards, printed in atheist Russia, were being "dumped" in Britain to the "substan-tial detriment" of British

Mr. Robert Atkins, MP for

Preston North, pressed Mr.

Cecil Parkinson, Minister of

State for Trade, to investigate

the allegations. Mr. Parkinson,

bracing himself for his first

international crisis since assuming office, admitted that it was the first he had heard of this insidious and cynical

The Government wants the

cuts, amounting to £8 im in

Scotland during the current year, to be made in services and

by natural wastage in reducing

At a two-hour meeting in

Edinburgh Mr. Younger asked the authorities to avoid increas-

ing rates. He accepted that there

could be problems in imple-

menting the Government's finan-

cial policy but emphasised that

it was determined to reduce the

public sector borrowing require-

But Mr. Tom Clarke, chairman

manufacturers.

HIRE PURCHASE sales rose sharply in May as consumer spending, spurred by fears of a Budget VAT rise, continued to recover from the winter slow-

Figures released yesterday by the Trade Department showed that the amount of new credit advanced in May was 9.1 per cent higher than in April, after a 7.9 per cent rise in the previous month.

Retail sales in May fell from the near-record level of April, but still remained buoyant. The revised index for the volume of revised index for the volume of retail sales was 1.6 per cent lower at 113.5 (1971 = 100, seasonally adjusted), the same as the provisional estimate.

The significance of the drop should not be exaggerated since the latest of the latest and latest and

the level of sales in April may have been artificially high because of bunching of pur-chases after the bad winter weather and industrial disputes. Even after the fall, the volume of sales was still about 3.5 per cent above last year's

average level.

Taking the latest three months together, to eliminate the bunching effect, the biggest increase was in sales of durable goods, which were 3.7 per cent higher than in December-

February Spending in clothing and footwear shops and other non-food shops was 1.7 per cent higher the latest three months. while food sales were up 0.2 per

The largest drop in May was in clothing and footwear, where spending, especially on motor sales were 6.4 per cent lower vehicles.

#### HIRE PURCHASE CREDIT AND RETAIL SALES (Seasonally adjusted)

New credit extended by			(Leasted)	
Finance Houses		Total debt outstanding	Total	Durable goods shops
£m	£m	£m .		
-	_		103.3	115
596	507	4.205	102.4	118 -
		4.482	104.2	121
736	542	4,791	104.7	122
809	565	5,053	106,4	124
901	605	5,496	107.9	129
895	. 647	5.810	110.7	134
958	618	6,211	111.7	134
934	652	6,416	110.3	131
306	202	5,969		132
344	217	6,140		132
308	199	6,211	113,8	137
	-		* YOU !	127
				137
				129
				144
340	236	6,753	113.5	144
	Finance Houses £m 596 657 736 809 901 895 958 934	Finance Houses Retailers  £m £m  596 507  657 546  736 542  809 565  901 605  895 647  958 618  934 652  306 202  344 217  308 199  300 225  311 220  323 207	Finance Houses Retailers (unadjusted)  £m £m £m  596 507 4,205  657 546 4,482  736 542 4,791  809 565 5,053  901 605 5,496  895 647 5,810  958 618 6,211  934 652 6,416  306 202 5,969  344 217 6,140  308 199 6,211  300 225 6,236  311 220 6,316  323 207 6,416	Finance Houses Retailers (unadjusted)  £m £m £m (1970=  596 507 4,205 102.4  657 546 4,482 104.2  736 542 4,791 104.7  809 565 5,053 106.4  901 605 5,496 107.9  895 647 5,810 110.7  958 618 6,211 111.7  934 652 6,416 110.3  306 202 5,969 110.2  344 217 6,140 110.5  308 199 6,211 113.8

Mr. Richard Weir of the Retail Consortium, which represents a wide range of stores, attributes this poor result both to the poor spring weather and to the emphasis on durables in

heat-the-Budget shopping.
New credit extended by finance houses and retailers rose by £52m in May to £624m, after seasonal factors are taken into account. The department said that this reflects pre-Budget

Following the big rise in April, this meant that total advances in the latest three months were 10 per cent higher than in December-February. Advances by finance houses grantors rose £42m to £388m in May, while new credit extended

The total amount outstanding to finance houses and retailers in May was 26 per cent higher than a year earlier at £6.75bn (not seasonally adjusted).

by retailers was £10m up at

#### Bill to check bus fare frauds

By Colleen Toomey

GREATER MANCHESTER Passenger Transport Executive has taken a radical step to check passenger fraud. A Private Bill now before Parliament would enable the executive to charge passengers caught travelling beyond their paid destination five times the fare for the unpaid journey, with a minimum

Alleged offenders would be given 21 days to pay or to provide an adequate explanation.

The Confederation of British Road Passenger Transport said Shiprepairers is a part, had sector, yesterday that while the scheme changed the nature of the Anot covered only the Greater Man-company and his own responsi- Mackle is the persistent preschester area, it hoped that Mr. | bilities. Norman Fowler, Transport Minister, would apply the Bill in Manchester is estimated at £2m a year.

Mr. Denis Quin, directorgeneral of the confederation, said that with soaring fuel charges and inflation forcing up running costs, it was important for bus operators to recoup

#### Capital **Annuities** -no levies

By Eric Short

THE POLICYHOLDERS Protection Board has been able to fulfil its obligations towards policyholders in Capital Annuities. the life company in the process of being liquidated, without having to impose any levies on life companies during the year ending March 31, 1979. It also does not expect to make any levy during the current year.

This was revealed when the Board published its report and accounts for the financial year ending March 31, 1979. It was set up to administer the working of the Policyholders Protection Act. 1975, which guarantees that policyholders will receive at least 90 per cent of the benefits on their insurance contracts should their insurance company run into financial difficulties.

It had power to finance its operations by making levies on the premium income of life companies. So far it has made one such levy in 1977 which raised £1.5m.

At present, the board is making payments to policyholders in Capital Annuities, a life company that was subject to a winding-up order on July 26, 1978. The board is either mak-ing payments direct to policyholders or through substitute contracts issued by Commercial Union Assurance or Hambro

Provident Life Assurance.
The accounts showed that the board paid out over £900,000 to policyholders in the last financial year-£642.000 direct and £269,000 through the CU. The board's only source of income during the year was £61,000 of bank and other interest, so it ended the year with a deficit of £1.21m. But since the end of the year in question, it has re- site which is at the centre of a ceived the first interim payment of £1.11m from the liquidator of Capital Annuities.

Mr. Paul Shewell of Coopers and Lybrand the liquidator of ruled yesterday. Capital Annuities, stated that the liquidation is proceeding an undertaking not to accept site. smoothly. All policyholders tenders for the site at Carlton

## Chief of state ship repair yard resigns

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

executive of the State-owned in the ship-repair division, in River Thames Shiprepairers, spite of a big reduction in jobs has resigned following a deci- at River Thames and the virtual sion to haive his company's closure of the Falmouth repair

workforce.

He is to become managing director of the recently-formed Wimpey Appledore company, specialises in marine construction consultancy.
Mr. Ekins said yesterday that

recent rationalisation plans Britain I ...... announced by British Ship- British Shipbuilders to pursue builders of which River Thames his interests in the private

River Thames will now come under the executive chairman is scaling down. ship of Mr. John Wilde, who There are also heads British Shipbuilders' Vosper repair company in Southampton, Eventually, the two yards may be merged for marketing and purchasing pur-

responsible for ship-repair. Mr. Mackie is also faced with sidjaries.

MR. JAMES EKINS, chief the problem of mounting losses

Mr. Mackie was previously managing director of James Brown and Hamer, a ship repair company based in Durban, South Africa. He replaces Mr. Anthony Mackesay, who has left

Another problem for Mr: sure on British Shipbuilders to sell the ship repair facilities it

There are still companies interested in the Falmouth yard, which contains the biggest

repair dock in Britain.
C. H. Bailey, the Bristol
Channel ship repair company. is still showing interest, as i That is an issue which will be Clydedock Engineering, which taken up by Mr. Eric Mackie, is owned by Mr. R. A. B. Butler, who joins British Shipbuilders chief executive of Tyne Shipshortly as managing director repair, the largest of British Shipbuilders'

## Mitchell Cotts sells warehouse complex

MITCHELL COTTS, the inter- the balance-sheet and "pave national trading, engineering and transport group, which is reorganising operations and reducing borrowing in the wake of a poor overseas trading performance, has sold a warehouse complex in Penkridge, Staffordshire, for £6.5m.

The complex has about 500,000 sq ft of warehousing space and has been bought for cash on a sale and leaseback contract by Pearl Assurance. The price compares with a book value at the end of June 1978 of £2.3m. A 42-year lease has been secured at a current annual rental of £55,000:

The complex is about 10 years old and occupied by major industrial tenants including Imperial Chemical Industries. Mitchell Cotts itself uses only about one-sixth of the floorspace, although it emphasised yesterday that continuing use was necessary for its transport

operations. Mr. P. P. Dunkley, chairman of Mitchell Cotts, said the £6.5m reduction in borrowings would bring a substantial saving in interest charges, even after the rental charges.

The excess of £4.2m over book reports that they could go as value, to be transferred to high as 25 per cent, after a reserves, and the reduction in meeting with the directors of the group's overall indebtedness, the Merseyside Passenger the group's overall indebtedness, the would considerably strengthen Transport Executive,

the way" for future develop-ment of its operations. In the year ending June, 1978, the group showed bank borrowings of £23.12m. Pre-tax profits fell to £10.24m against the previous year's record of £11.67m. In the first half of

1978-79 the pre-tax figure fell from £4.58m to £2.67m on an almost unchanged turnover, and a figure for the year of about £6m looks likely.

The main element in the the profits fall has been less activity in Southern Africa and Australia. Mr. Dunkley said yesterday that the group was steadily building up its

#### Bus fares blow to Merseyside

UK business.

HIGHER fuel prices will mean that Merseyside municipal bus fares, already due to rise 10 per cent in October, will in many cases have to go up even more. Mrs. Jean Leech, chairman of the Merseyside Passenger Transport Committee discounted

## Co-op loses court fight

NOTTINGHAM City Council for breach of contract against can let out a new supermarket the council. dispute between the council and Greater Notitngham Co-operative Society, a High Court judge

The judge said an action for an injunction was unsustainable. He blocked further legal attracted a £1.5m industrial demoves by the Co-op to obtain a declaration that the council was bound by a 12-year-old agreement to offer it the lease of the

have surrendered their rights to the board, all general creditors have been dealt with, could proceed with an action leave to appeal.

Dut he said the Co-op damages are said the co-op damages. The society was given of the equipment will be bought in the UK. George Wimpey will oversee the contract.

### **Private** preview for BL products

By Kenneth Gooding, Motor Industry Correspondent

BL IS TO stage a private preview this week of the Mini Metro, new versions of other cars, and examples of its new truck range.

The original idea was to show senior representatives of banks and financial institutions which have invested in BL how their cash is being spent. But the preview has been widened to include Department of Industry representatives, senior union officials and members of BL Cars' national dealers' organi-

There will be separate pre-sentations over several days at BL's new top-security. advanced Technical Centre at Gaydon, Warwickshire.

Secrecy

Those invited have promised secrecy. They will get the chance to drive prototypes of the new Mini Metro and look over examples of other BL cars soon to be put on the

Also on view will be some T45 trucks, due to be launched in the autumn, and T43 trucks, designed for sale in developing countries:

BL denied that the presentation was intended to induce the private sector to put up more money for the group. "We simply feel these who have already invested should have a chance to see how some of their money has been spent." a company spokesman

#### **Overseas** student fees rise

By Michael Dixon, Education Correspondent

AN EXTRA 22 per cent increase in tuition fees for overseas students was announced by the Government yesterday. move, foreshadowed in Budget last month, will save about £6m of public expenditure in this financial year.

The increase, on top of the inflation-compensating rise pre-viously announced by the Labour Government, will mean that from the autumn overseas students at British universities and colleges will be paying than in the last academic year.

The fees for postgraduates will rise from £925 to £1,230; those for undergraduates from £705 to £940; and those for subderree courses from £390 to

But about 60 per cent of the average cost of the overseas students' courses will still be met from UK taxpayers' funds. The new fee-levels recom-mended by the Government

seem virtually certain to be put into force by the local education authorities, which fix the fees for polytechnics and colleges.

The universities will be more reluctant to follow the recommendation. But they were officially warned last year that resistance to Government policy on overseas students could have "a serious long-term effect on the total money available to universities."

although a period of stabilisa-tion now looks likely, according

to the Anglia, Hastings and Thanet Building Society.

The society's chief surveyor,

Mr. Peter Moreton, calculates

that prices rose on average by

14 per cent in the first six

months of this year, against an

Mr. Moreton says that house purchase activity during the first part of 1979 was greater

than expected. The market

continued to react to the

in real incomes. In addition,

there has been a marked

DISTA PRODUCTS, part of the

at Speke, near Liverpool.

The expansion, scheduled over the next two years, will

increase the plant's annual capacity from 700,000 kilos to

850,000 kilos. The project has

velopment grant, in addition to

the normal 22 per cent regional

Installation of new computer-

controlled equipment will form

per cent in 1978.

at the rate recorded last year, popular range.

overall average increase of 28 catching up.

recently achieved improvement creases of past months could

U.S.-based Eli Lilly pharmaceu- Industries, said yesterday the ticals group, plans an £8.5m project was planned to meet an

expansion of its antibiotics plant expected rise in worldwide

1980s.

BY SUE CAMERON, CHEMICALS CORRESPONDENT

well moderate."

Dista plans £8m expansion

but Sir Charles said he facinght which was read to the court, five per cent above MLR would valuing two management conhave been a much truer rate On June 28, 1975, a week after the circular was issued,

Court told of 'insolvency sale'

Industries company bought the shares and debt of a company that was already insolvent. Sir Charles Ball told Mr. Justice Vinelott that the com-pany. Smithamcote, had a negative asset value as a group and was unable to meet

A FORMER chairman of Barclays Merchant Bank said in

the High Court yesterday that

four years ago the Newman

liabilities as they fell due. He was appearing as an expert witness in an action brought by the Prudential Assurance against Newman, Thomas Poole and Gladstone China (TPG), Mr. Alan Bartiett and Mr. John Knox Laughton. The case concerns the sale of a package of assets and liabilities by TPG to Newman in 1975.

The Prudential held about 4 per cent of Newman's capital at the time and is claiming that the circular informing shareholders of the proposed sale was misleading and "tricky." It also seeks damages for breach of duty and conspiracy from Mr. Bartlett and Mr. Laughton who, were then chairman and vicechairman of both Newman and

Among the assets acquired by Newman were 49 per cent of the ordinary capital of Smithamcote, an unquoted holding company for management constultancy business, and promissory notes issued by Smithamcote to TPG totalling \$100,000.

The interest on the notes was set at minimum lending rate

But in a survey of the current

market Mr. Moreton comments:

"The basic laws of supply and demand lead to a naturel periodic cycle of peaks and

troughs in prices and housing is not immune: The last year

and the early part of 1979 has

seen a peak, with the market

recent Budget proposals and the latest retail price index all indicate that a period of house

price stabilisation may well be

in prospect and that the in-

According to the society, the

Dista, a subsidiary of Lilly

demand for anti-biotics in the

The Speke plant produces two

antibiotics - Cephalexin and

Tylosin. Cephalexin is used to

treat humans, and Tylosia is an

antibiotic for animals, mainly

pigs. When the expansion is completed, a third antibiotic, Monensin, will be produced. It

is chiefly used to treat chickens.

At present it is imported from

More than 50 per cent of the its

present production at Speke is worldwide.

"The economic situation,

House price stability foreseen

after the circular was issued. Three methods of valuation Smithamcote defaulted on the were considered initially, but notes, though shareholders were these were rejected and the not informed of the fact until final valuation was based on later. Sir Charles said that unaudited fees plus ten per once default was immisent the cent.

Tate of interest was academic. Sir Charles described this was academic. Sir Charles described this would have commanded in the market. Sir Charles replied of stakes in four associated that, as regords the ordinary companies by TPG ke said he purchaser, he could not see that could not quite fathour why anyone would have been TPG wished to dispose of them. anyone would have been TPG wished to dispose of them

The court was fold that also been some other factor which on June 28 Smithsmcote's was not put down in words of secretary, Mr. P. A. Baldrey, one syllable," he added: and Mr. David Copper, an and Mr. David Cooper, an It was not impossible that accountant and now chairman TPG had expanded on the back

the TPG board a memorandum, over-extended itself.

of the Nelson David group, sent of bank borrowing and had

## Dearer gin and vodka BY OUR CONSUMER AFFAIRS CORRESPONDENT

Soviet Christmas card mystery

abuse of free trade, and

son, his officials in the

Ministry had already come to

grips with the problem. They found it so mysterious that they doubted whether it really

That was also the view at Fine

Art Developments, Britain's

biggest greeting cards producer, which said the Russian

Christmas cards sold here last year were "of very little consequence and had no

noticeable effect on our

trade." They were all of the

cheap "super-market" variety,

councils and expect them not to increase rates. This would place them in a straitlacket and

could leave them without enough money to fulfil their

The Scottish Office has said

that council budgets for this

year must be trimmed by £49m.

and that the rate support grant

increase promised to councils would be reduced by £355m.

Office and the local authorities

are to prepare a report on the

way in which spending can be reduced in time for the next

meeting between Mr. Younger and the convention in Septem-

Officials from the Scottish

statutory obligations.

charge.

existed.

clash over spending cuts

BY RAY PERMAN, SCOTTISH CORRESPONDENT

LOCAL AUTHORITIES clashed of the Convention of Scottish

with Mr. George Younger, Scot- Local Authorities, said that it tish Secretary, yesterday over was ridiculous to cut grants to how they should carry out cuts councils and expect them not to

when a Tory MP alleged that In fact, unknown to Mr. Parkin-

to investigate the

the company added.

in the:U.S. See

Back at the Trade Department,

officials were also mystified by the claim that the cards were being unloaded here as-

part of a complicated Soviet

effort to secure sterling to

tarchase computer equipment

As for the ideological ironies of

the Communists purveying religious material, this was also chacure. Some of the

Russian cards sold here last

year were said to have por-

trayed a little girl kneeling

with bands elasped. Another

showed three shepherds.

If true, though, it is partly the

Mr. George Younger

sultancy concerns held by

Three methods of valuation

gin and vodka produced by the Distillers Company were increased yesterday and the move is likely to raise shop.

Distillers announced that the official trade price for gin will rise by £1.50 to £51.78 a case of 12 bottles. But the special allowance" — the near-automatic discount allowed to wholesalers will also be increased by 40p to

to meet heavy demand. At the

same time, mortgage demand far outstrips mortgage finance,

so that borrowers are providing more from their own resources.

and Partners said yesterday that it was becoming "almost impossible" for first-time house-

buyers to afford a home of any sort within the Greater London

The company's quarterly survey of property trends says that young couples are almost

barred from buying within central London because of high

prices and lack of sufficient

The survey also shows that

exported. This figure will rise

to slightly less than 60 per cent when the expansion is com-

Dista said the project would

guarantee the jobs of its 1,000

Speke employees, although it would create only 20 additional

Mr. Richard Wood, president

of Eli Lilly, said in Zurich yesterday that the group was testing a new antibiotic which had a wide range of uses with

few side effects. The group

planned to spend \$500m during the next three sears to extend

manufacturing facilities.

mortgage money.

Estate agents Bernard Thorpe

HOUSE PRICES in the first shortage in many regions of new picture nationwide remains one some prices being paid for land, half of 1979 continued to rise and second-hand houses in the of an inadequate supply failing are well up to those of the 1972

#### fault of the designers, while trade circles say—are absort certainly British.

Statistics on the Soviet Chair mas threat are also clusts Some say that 45m Russian cards were imported last year cards were imported last your and might reach 100m fills year. However, this is not a very big fineat to a market of 11bn cards; a season han the said to be far less than the number of cards imported from the devosity Catholic Irish Republic.

Britain last year was still a ne exporter of capits with of ports worth that company with the worth imported

#### Oil crisis Minister and local authorities puts up cost of ICI

solvents IMPERIAL CHEMICAL INDUS

IMPERIAL CHEMICAL INDUSTRIES yesterday but his the price of its netrabydrofuran (THF) and gaminabutyrelactone (GRL) by 25 per cent. The group said the price rises reflected pressures, on oil supplies to the chemical industries and the resulting increases in petrochemical raw material costs.

The price rises, which will take the cost per found of THF to £1,608 and that for GBL in £1,464, follow a 25 per cent price increase in February this introduced to offset the "escalating cost of Jeedstocks" over the previous 18 months, the company said.

company said.

THF and GRL are solvens used in the making of cells phane coatings pharmacenticals adhesives and aprochemicals.

Both are manufactured by ICI at Stevenston Aventure About half the production from Stevenston is experted, most of it to continental Western Europe.

The raw material from which THE and GRL are made is benzene, which comes from saphtha, an distanced product ICI said that is the past year the cost of benzene had disen by 140, per cent

The new prices which came into effect readings, will apply to the delivery subject in Select and applications.

## 80 countries conference of bankers

ING VOCKA

CORRESPONDENT

\$4.10 \( z \) case Distillers' main brands — Gordon's Boeth's, and High and Dry—are likely to cost at least 10p \( z \) bottles will cost still least 12p more in the shops, following the higher whole sale price. A case of 12 bottles will cost \$6.68 more st \$6.50.50. The wholesale allow ance is going up by 20p to \$2.70 \( z \) case.

Export prices are likely to rise by similar amounts.

Ceen

Seen by similar amounts.

Ceen by similar and by similar and by similar amounts.

Ceen by similar and by similar and

# Private collector spends

ista series of the top 10 lots. He paid \$32,900, plus 11.5 per cent buyer's premium and VAT, for a Castel Durante blue ground tondino by Zoan Maria, circa 1510 (it sold for £270 on its last annagement of Christien. its last appearance at Christie's

His other purchases included an Urbino Insteriate dish in copper lustre of 1539 at £17,000 a Cobbio fusired blue ground tonding of ground 1525, for

There were equally high prices at the Sotheby's auction of valuable printed books, which brought in £270,629. Quarten, the London dealer, bought a rare first edition of Starpes Novne by Litertier,

SALEROOM BY ANTONY THORNCROFT

Americanarum Historia, with 264 watercolours, realised

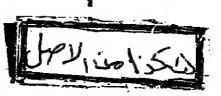
# £105,000 at Christie's

in 1899), and £30,000 for a large Faenza dated Istoriato Berretino dish of 1537.

gold histre charger of about 1520 for £12,000. Other high prices were the £32,000 from Humphrey's, the London dealer.

A SALE of Italian majorica at same buyer for a Caffaggiolic Christie's yesterday made blue and white armorial fonding collector was particularly active. There were equally high

copper lustre of 1539 at £17,000; with 91 plates by Regente and a Cubbio lustred blue ground others, for £42,000 more than tonding of around 1525, for three times the estimate, and £14,000; and a Beruta blue and Jacquin's Selectorum Stressors and hence of above. prices were the £32,000 from £35,000 Baskett and Day gave. Humphreys, the London dealar £30,000 during forecast; for for a Gubble kistred armorial Arbres Fruitiers by Delhamoel deformation of cardinal hat form Moncean French and £23,000 from the Fruits went for £25,000.



# HEART OF POLYESTER ARE OUR SHIPS...



Does it seem far-fetched that the great navies and merchant fleets of the world will one day be moulded in plastics?

nce

ers

ds

Yet parts of them are today. Smaller areft, it's frue, such as minehunters, work boats and submersibles. Yet there they are, hulls and superstructures sailing the seas, rivers and harbours of the world, moulded with the help of Cellobond polyester resins, specially developed by BP Chemicals.

Next—a through-deck cruiser like

this in plastics? What seems incredible today may be only just over the horizon.

BP Chemicals are always working at the frontiers of technology, researching new applications for our products and making them work. If the admiralties of the world decided to move from steel to reinforced plastics, many of the hulls launched would be built with the help of BP Chemicals.

BP Chemicals are one of the

founders of the European petrochemicals industry. Our direct access to the raw materials from within the BP Group provides security of supply. This, together with our continuing investment in resources, service and product range, ensures that we continue to meet the needs of industry today, and the demands of the world tomorrow.

BP chemicals-making it all happen

## **Economic prospects** 'hit by dearer oil'

UK economy after the most re- fore improve. lished yesterday by the 1985 the cost of an average 1981, motor vehicles, independent forecasters, the house will move up from the Growth Economic Models Group of Companies.

The group does not expect the private economy to take the opportunity over the next four or five years for substantial expansion given by the reduction in public spending and real

taxation growth. Until 1981 government policy is forecast to squeeze profits of 1981. and retard investment, while oil production will buoy up sterling and depress exports. For this reason employment growth in this period will be poor and manufacturing production sluggish.

#### 1985 brighter

After 1981 the group says that growth of the UK oil sector will be minimal and the real

Consumer spending on non-electrical engineering manu-recession. This should mean durables and services is ex-facturing sector is forecast at that short-term rates level off pected to grow faster than on an annual average of 3.4 per at about 9-10 per cent next

**Damages** 

for house

defects

GLOOMY view of the years. Employment prospects in

The group forecasts that by present level of £18,000 to 45,000.

However, in the short term the rise in house prices is expected to end with no increase

"With the return of easier money and lower relative energy costs, the private sector is expected to recover by the middle

a whole is not bright in either

expected to favour the electrical money supply growth.
sector at the expense of car
manufacturers. The group says
concludes in its latest review of home gadgetry. Sales in this sector are

Other manufacturing sectors medium-term prospects for the the service sector should there- showing strong growth are expected to be instrument engineering, chemicals and, after

> Certain basic industries are expected to continue to decline over the forecast period, in particular iron and steel, shipbuilding and marine engineering, and textiles.

City stockbroker Panmure Gordon says in its latest economic review that a cut in the Minimum Lending Rate, standing at 14 per cent, is In spite of this the outlook unlikely before September. It for the construction industry as argues that the Government's commitment to monetary conthe short- or long-term. trol may only slowly translate
Consumption of durables is into lower bank lending and

sector at the expense of car manufacturers. The group says that the domestic budget share that tight monetary policy, sub-of radios and electricals should stantial demand for advances rise as competition depresses and pressures on the banking prices and a new generation system will all tend to hold up short term interest rates. There manufacturing competitiveness stabilise. The outlook for manufacturing beyond 1985 is much brighter.

Sales in this sector are will be some decline, nowever, sales in this sector are will be some decline, nowever, stabilise. The outlook for manuer approached to rise by an annual probably in the latter half of average of 4.8 per cent between 1979 and in 1980, due to the 1978 and 1985. Growth in the increasing likelihood of a world approached to rise by an annual probably in the latter half of average of 4.8 per cent between 1979 and in 1980, due to the 1978 and 1985.

THE OWNERS of two neigh bouring houses in Romford,

Essex, were yesterday each awarded more than £40,000 agreed damages for foundation defects in their homes. Mr. Neville and Mrs.

Fabienne Woodley-Jones, of 1 Cromwell's Mere, Havering Romford, received £45,000. Their neighbour, Ms. Juliet Frances Broster, of 2 Cromwell's Mere, received £43.000. Mr. Justice Kitner-Brown approved the awards.

The claims, heard in the High Court, were against Globe Construction, of Globe House, Braintree Road, Felsted, Essex, which built the homes in 1974. and the London Borough of Havering, which gave planning

permission. Mr. Roy Roebuck, counsel for all plaintiffs, said the houses had unsatisfactory foundations. The building company was buying them back. Daniages had been assessed on what the houses would have fetched on the open market if they had been in good condition. A sum was also allowed in the agreed award for damage to furniture

and inconvenience. Mr. and Mrs. Woodley-Jones had been awarded a higher figure because their house was at the end of a terrace and would be worth more, said Mr. loebuck. He added that accord had been reached Roebuck. between the defendants."

Third party proceedings are being brought against the which would form part of a architect. Mr. Geoffrey £4.6m scheme to include a 200

## **Brewers 'worried'** by young drinkers

abuse among young people, Sir curb the purchase of drink by Derrick Holden-Brown, chair-the under-aged on licensed man of the Brewers' Society, premises. said yesterday.

However, Sir Derrick, speaking at the Cities of London and Westminster and Borough of Chelsea Licensed Victuallers Association charity luncheon in Guildhall, London, said the problem should be solved by further education and research rather than by advertising restrictions and enforced higher

About 2 per cent of the 30m people who drink regularly are victims of excessive drinking. Even at this level, "every possible step must be taken to curb this abuse."

worried about the growing abuse.

THE DRINKS industry is incidence of alcohol abuse deeply concerned about among young people and had the growing problem of alcohol taken stringent measures to

Major grammes had been introduced into secondary schools by the Brewers' Society to help to combat the problem. Sir Derrick rejected the twin calls for higher alcohol prices and further restrictions on advertising as a means to solve it.

Following a call from the British Medical Association last week for tighter restrictions on drink and tobacco advertising, he said there was "no evidence whatsoever" of any causal relationship between the promotion of drink products The industry was particularly and the incidence of alcohol

## Alderney marina opposed

in Alderney against a plan for a 400-berth marina and fivestorey hotel in Braye Bay, close to one of the island's largest and finest beaches.

Henry Boot Construction, of High Wycombe, and Channel Islands Granite of Halifax have submitted plans for the marina, bed hotel, to the States of scheme, was off the island.

A CAMPAIGN is being mounted Alderney for debate tomorrow The Alderney Watchdog Committee has objected that the pro posed marina would double the island's 1,800 population, cause pollution and place an increased strain on all the island's

services.
The watchdog committee said the states' transport and harbour committee voted to sup port the marina plan when one of is members, opposed to the

## Grundig and Philips bid for European video tape market

announcement that Grundig and Philips are co-operating on a new machine intended to challenge Japanese imports.

The new machine, the Video to £700 in the UK. 2000, is controlled by a microcomputer and offers up to eight hours' play from one tape cassette. It uses the first video tape cassette which can be played on both sides like an audio cassette. This will enable it to be much more economical in the use of tape compared with the rival machines developed by Sony and Matsushita The cost of a tape is expected to be around £2.20 for an hour's playing.

range of facilities including the the Betamax format developed duction, three incompatible ability to be preset to record by Sony. Both have been out-systems will be left, all of range of facilities including the the Betamax format developed television programmes off the selling N1700 from Philips which will be competing to air up to 16 days in advance. It which suffers the disadvantages become a world standard.

THE BATTLE for supermacy can also be used to record pro- of being the first consumer-in the European video tape grammes while the TV set is oriented machine on the in the European video tape grammes while the TV set is oriented recorder market took a new being used to watch another market.

> It is expected to be on sale early next year at a price which will probably start slightly higher than that of its Japanese rivals. They now retail at £600

Philips and Grundig, the only European manufacturers of video recorders for the domestic market, are clearly hoping that the machine will enable them to recover some of the market share which has been lost to the Japanese in the last year.

The market leader at present is the Video Home System (VHS) developed by Matusshita, which has been offered or an hour's playing. for rental in the UK by Thorn
The machine offers a wide and Granada. It is followed by

It is bulkier than its rivals and considerably more expensive in its use of tape. The Video 2000 uses a differ-

ent type of tape cassette from that of the N1700, and both are different from either Japanese offerings. Grundig's current machine developed from the N1700, also has a different tape

Consumers will thus be faced with five incompatible systems. None of these different types of machine can play tapes designed for any of their rivals.

Most analysts of the market agree that such a large variety cannot survive. Even when the earlier machines of Philips and Grundig are phased out of pro-

#### CONTRACTS

## Dubai cold stores cost £7m

more than 2.7m cu ft of from stockists for the period refrigerated capacity are being July 1, 1979, to June 30, 1980. built in the United Arab

Emirates by the O'GORMAN A contract worth almost £1m has

GROUP for the Bhatta Engineer
been placed with MORCEAU ing Corporation, Dubai. They will cost more than £7m. Each complex has a capacity of 910,800 en ft and comprises 40 variable temperature stores capable of refrigeration down to -30 deg C

Contracts worth £2.2m have been

Three cold store complexes with the supply of mild steel sections video tape recorders and com-

been placed with MORCEAU
FIRE PROTECTORS for more Mandolite for structural fire pro-tection on Mobil's concrete Statfjord B platform.

a maximum ambient of Thames Television has placed a by the National Coal broadcast vehicle for six-camera be used for filtering size and

prehensive sound and vision facilities. The 11-metre long vehicle will be built on a Seddon Pennine chassis modified with an additional front steering axle to FIRE PROTECTORS for more increase load-bearing capability, than 60,000 sq metres of Marine On-the-road value of the vehicle will be about £900,000.

REISS ENGINEERING received orders worth more than £120,000 for Ronningen-Petter contract with LINK ELEC filter assemblies from Wiggins TRONICS, Andover, to construct Teape, Thames Board Mills and a production colour outside Bowaters. The equipment will Board with 10 UK companies for operation. The unit will carry screening high solids coating.

#### Clwyd seeks restoration of Welsh air link

By Robin Reeves

TALKS are to take place this week on restoring the North-South Wales air link, suspended at the week-end after the acquisition of Air Wales by Air Anglia for an undisclosed sum.

Air Anglia's management has agreed to meet senior officials of Clwyd County Council, which has been subsidising the twice-daily service between Hawarden and Cardiff for £34,000 a year. Air Anglia has indicated that the suspension will be brief to allow Air Wales's operations to be examined in detail. The signs are that the

increased subsidy from Clwyd to maintain the service. The North Wales local authority undoubtedly values the air link as an important element in its efforts to attract new industry to the county, which has the highest unemployment in Wales, over

new owners are looking for an

10 per cent. Clwy is angry at the lack of consultation which preceded Air Anglia's suspension. Mr. Mervyn Phillips, the county's chief executive. hinted yesterday there were alternatives open to the local authority, such as putting the subsidy into a charter service link with Cardiff or an improved rail service between North Wales and the Welsh

Air Anglia's takeover ends months of rumour and specu-lation about the future of Air Wales, a subsidiary of Cosalt and DK Aviation. The Cardiffbased airline began operating in December 1977 with the aim of establishing a network of routes. At one stage it proposed the setting up of a round-Wales airbus.

#### Aims award for Laing chairman

SIR MAURICE LAING, chairman of building and civil engineering company, John Laing, was yesterday presented with the National Free Enterprise award by Aims, the free enterprise organisation.

He also received the symbol of the Campaign Against Building Industry Nationalisation, of which he is chairmen.

Mr. John Lyle, chairman of a battle which put the Labour Government in retreat on the nationalisation issue. "It also changed the attitudes of the public, and of workers and trade unions in his industry," Mr. Lyle

Special awards were presented by Aims to: Mr. Leslie Chepman, author of Your Disobedient Servant; Professor Max Beloff, principal of the University College at Buckingham and Mr. T. E. (Peter) Utley, leader writer of the Daily Telegraph.

#### Name change for Babcock power division

BABCOCK AND WILCOX (Operations), the heavy power plant division of Babcock and Wilcox, has changed its name to Babcock Power.

Mr. Ron Campbell, managing director, said the new name was a better indication of the division's business. No structural changes were planned. The power plant company was resructured last year, when all

Babcock's power plant and heavy engineering businesses were merged. Its turnover fell during the year to £89.4m, compared with £102.3m in .1977 Profits were down to £1.2m from £3.4m.

Together with other power plant companies, Babcock has suffered from a lack of domestic power station orders. But the company says prospects have improved. While the domestic ordering programme is likely to remain depressed, the company expects to export more than 50 per cent of its pro-duction this year, against 38 per cent in 1978.

#### Child cruelty 'rips veneer of our society'

BRITAIN IS so violent that people are becoming "shockto child cruelty, the former director of the National Society for the Prevention of Cruelty to Children warned yesterday.

The Rev. Arthur Morton, who retired in March, said his final annual report contained "shocking accounts of appalling cruelty to defenceless children; a record of 12 months' neglect and deprivation on a scale that rips away the tissue veneer of our so-called civilised society." The full horror might never be known for the NSPCC could only speak about cases brought

to its notice. The NSPCC was convinced that many other children were suffering as a result of assaults by their parents.

## Pay unit says Government staff will need 20% rises

BY PHILIP BASSETT, LABOUR STAFF

COVERNMENT creases of about 20 per cent this year, according to reports from independent pay comparability unit

The reports of the Civil Service's Pay Research Unit, which has been given extra resources to deal with outside comparisons for the 170,000 industrial civil servants in addition to its normal work for 600,000 white-collar staff, have now been delivered to the 12 unions and the Civil Service Department.

The department is due to give the unions its analysis of the

workers are likely to need in though initial analysis by the particular relevance to the year by the industrials caused unions shows that rises of about 20 per cent are due for the majority of the grades, though increases for higher-paid skilled workers are likely to be greater. Analysis of the raw informa- grades.

by January as an important last year.

industrial reports by the end of the month, guideline for negotiation. Of

The unions feel that the Govcompanies for the industrial avoid reaching agreement for workers is further complicated the industrial grades based on by the fact that unlike the the PRU comparability reports, white-collar staff factors such as partly because of the influence shift payments have to be of the white-collar settlement but mainly because the priu-The unions regard the white-ciple of comparability as a basis collar settlement which gives of this quar's settlement was cenincreases averaging 25 per cent tral to the agreement reached

Action taken over pay last industrial grades are the settle- considerable political embarments of 20-20.99 per cent and rassment when three out of four 20.16-21.95 per cent reached for of Britain's Polaris submarines the bottom two administrative were blacked and had to be grades.

The unions feel that the Govsons with similar jobs in outside erament will find it difficult to naval dockyards and stoppages by House of Commons and Whitehall drivers, messengers and other staff.

The pay unit, which makes no recommendation on how its findings should be applied, has looked at comparable jobs in engineering shipbuilding con-struction, transport, distribu-tion and other industries.

Statement

by Soames

technicians

LORD SOAMES, the Lord Presi-

dent of the Council, said yester-

day that the Government had

made every effort to end the disputes with 70,000 scientists

and technicians, who are taking

selective strike action over pay.
Lord Soames, the Minister in
day-to-day charge of the Civil
Service Department, said the

Institution of Professional Civil Servants had been urged re-

peatedly to accept the pay offers

or go to arbitration. His state

ment was made in a written

answer in the House of Lords to a question by Earl Fortescue.

He said that for the 20,000 scientists there was a "dispute

of principle." over only two grades. "We have offered the

IPCS exactly what it has sought

subject only to reaching a clear

agreement that this offer should

not be taken as a precedent." The scientists had been offered

20-33 per cent, though the

union argued, that conditions

attached to the offer were un-

Lord Soames said the 40,000 technical staff and 10,000 related workers had been offered 15j

224 per cent based on a pay

comparability study "calculated

in the same way as inthose

accepted by other unions."
The IPCS argues that its professional and technical

members - trave - traditionally

received increases 11-20 per

cent above the median figures

from the comparability reports on which other unions, have settled. Scientists and techni-

clans began striking yesterday

at Defence establishments, including the Polaris base on the

Clyde, Royal Ordnance Factories

at Giascoed and Manchester, and

map-making establishments at Southampton and Feltham

about

## North Sea gas supplies threatened by dispute

ASTMS represents 56 of the

80 maintenance men, operators,

technicians, supervisors and

foremen on the four platforms.

Enginering Workers and the Electrical and Plumbing Trades.

Union represent about ten with-

a further 15 staff non-unionised.

Mr. Roger Spiller, ASTMS divisional officer, said the com-

The Amaigamated Union of

BY NICK GARNETT, LABOUR STAFF

THE supply of North Sea gas between unions and the com- companies had not. Staff who from four production platforms operated by Phillips Petroleum is under threat from a union

dispute over pay. The Association of Scientific, Technical and Managerial Staffs. which represents a majority of staff in dispute with Phillips in the Hewitt gas field, said yesterday that unless the company made substantial improvements on its last offer the union would take whatever action was necessary to change Phillips' stance. This could involve the closure

of the company's gas wells which produce 15 per cent of UK needs, although it is more likely that the unions would do nough simply to reduce supply. consistently adhered to pay "overtime," and shift and off.
A final conciliation meeting policy while other production shore alowances totalling £1.821. enough simply to reduce supply.

pany had made an 8 per cent offer on basic salaries and an improvement in the special allowance for working offshore

frm £5 to £6.50 per day.

pany is scheduled for next had shown great loyalty were week. now being forced to act against parsimonious treatment. The company said yesterday

that it had offered a pay pack-

age that compared more than favourably with that in other industries in the area. Neither the unions nor the company expects any interruption in supply to affect the public because of low summer demand.

Current basic salaries range from £3,036 for trainee plant operators up to a maximum of further 74 per cent on salaries Mr. Spiller said Phillips had for fixed two hours weekly

## BL craft men blame transport union in wage structure row

FINANCIAL TIMES REPORTER THE FOUR craft unions at BL's

torpedoed chances of any pay new pay grades. They make the accusation in accepted a five-grade structure

nula ne slottea inti wage structure. Mr. Roy Fraser, the Cowley convener who leads BL's skilled workers, says that all the pay reforms under negotiation and the pay review due in Novem-

ber depend on the unions' acceptance of a new wage structure. They say the factory committee was disbanded by the plant has dismissed the craft unious' director, Mr. John Jackson, because of the transport union's obstructive attitude."

workers has been submitted by

the General and Municipal

Workers' union on behalf of the

workers' side of the Licensed Residential Establishment and

Licensed Restaurant Wages

The claim, which also calls

The manual unions have

a leastet distributed after the in the BL Cars joint negotiating disbanding of a committee committee, and BL says it selected to decide how jobs intends to honour and apply it -but TGWU leaders in Uniord are campaigning for a fourgrade system.

TGWU members will be lobbying union members of the joint negotiating committee in Coventry today in the hope of winning their support.

Mr. David Buckle, Oxford district secretary of the TGWU, accusation as a gross exaggera-

Hotel workers claim £65 minimum

tion, Members felt a four-grade

GMWU national officer and

leader of the workers' side.

said: "This time the council

has a real opportunity to look

after the lower paid. Profits in

this industry are at an all-time

high while wages are at an all-

The factory was among the structure would be better for car body plant at Cowley, earlier qualifiers for parity pay production werkers.

Oxford, say the Transport and ments, but no progress has been the said be was content with General Workers Union has made on slotting jobs into the the way, the area's campaign

was going.

Ray Perman adds: Mr. Alex Fletcher, the Scottish Industry Minister, is writing to Mr. Michael Edwardes, BL chairman, to ask what the company's Bathgate truck and tractor plant West Lothian:

The board of BL Vehicles cut £32m from the forward investment programme for Bathgate last year following a seven-week strike by machinists.

But Mr. Fletcher was told yesterday by shop stewards that industrial relations since then had been good and that productivity improvements justified looking at the investment pro-

#### Hope of train settlement

INDUSTRIAL ACTION by train urivers which threatened iron and steel making at the British Steel Corporation's Ravenscraig works at Motherwell may be

Members of the Associated Society of Locomotive Engineers and Firemen (ASLEF) have been blacking ore shipments to Ravenscraig because of a dispute over British Rail's proposal to relocate three jobs.

New proposals were accepted warned the employers that they, by drivers at Polmadie vesterday and those at Mother low pay. Our claim holds them other depot affected meet to that warning."

#### A CLAIM for a minimum wage mum terms, goes before the able industry, workers receive of £65 a week for Britain's wages council governing the some £9 less than they would get 690,000 hotel and catering industry. Mr. Fred Cooper, on social security. While this lifted today on social security. While this industry coins in the money, the state has to pay out family income supplements to the

Last year Sir John Wood.

chairman of the Wages Council.

had to deal with the problem of

#### WIMBLEDON

Council.

BY JOHN BARRETT

## Cawley routs Wade in only 68 minutes

for equal rates for part-time Mr. Cooper added: "It is dis-workers, as well as other mini- graceful that, in such a profit-

VIRGINIA WADE's dreams of winning her second Wimbledon title disappeared in 68 minutes yesterday when she was routed 6-4, 6-0 in the quarter finals of the women's singles by Evonne Cawley of

Australia. Mrs. Cawley. four times a finalist here but only once a winner, in 1971, produced her most graceful and fluent ten-nis to achieve her 26th win over Miss Wade in their 34 meetings. She was never behind and hardly ever looked back after capturing her op-ponent's serve in the opening game. Two impressive service games to love left her 3—1 up and at one stage some marvellous touch play brought

her nine points in a row. There were brief hopes for Miss Wade in the sixth game when she got within two points of a break but the danger was averted with a gorgeous Cawley cross-court forehand which dropped beyond Wade's outstretched

Serving to save the set at 4-5 Miss Wade fought off two set points, the first with a deep service winner and the second with a full-stretch half volley which just cleared the tape. After seven deuces the game was salvagd but Mrs.

Cawley overcame a slight stutter, losing the first two points of the next game, before she took the set after 41 minutes when Miss Wade netted a backhand.

The second set was a disaster for the British No. 1. She collected only 15 points in a 21-minute rout and afterwards said couldn't get going. The court was much faster than I ever imagined it would be. Evonne played very well but she always plays well against me. She had a tremendous touch. I had none. If she plays like this she could go all the way."

the number 2 seed Chris Evert-Lloyd, the 6-3, 6-4 winner over Wendy Turnbull, another Australian, said: This was a more comfortable match than I expected because Virginia has been playing well, but I am in good touch and feeling confident." For the third time in five

Mrs. Cawley, who now meets

matches the champion Martina Navratilova dropped a set and looked distinctly shaky early on before putting out Dianne Fromholtz 2—6, 6—3, 6—0, After trailing 3-1 in the second set Miss Fromholtz battled back to 3-3. Her best

chance came in the next game

Evonue Cawley ... 26th win over Virginia Wade.

when she had two points for a 4-3 lead, with her serve to fellow. But the champion showed her finest fighting form; pulling back to dence on probably the hest shot of the match, a marvellous cross court stop volley and winning the game with two crisply-struck volleys.

The reprieve encouraged her immensely and she swept through the next eight games irresistably.

final opponent will be the is final opponent will be the 18 year-old American Tracy Austin, who overrame Billie-Jean King, 25 alz limes winner of the Citle, 6—4, 6—7, 6—2 in just over two hours. Miss Austin, who was not born when his, king won the first of her Windhadon, changton the Windhadon the Wind

Miss Navratilova's Beni-

By Richard Evans, Lobby Editor

sidering taxation of unem-

There had been speculation

that these issues were too

sensitive to pursue, but some

Ministers, including Mrs.

Thatcher, remain convinced

they are necessary reforms.

Legislation may be introduced

Timing depends on the out-

come of a Cabinet argument

over whether trade union-related legislation should be

introduced during the winter

when conflicts between the

Government and the unions

ment Secretary is thought to

be in favour of delay until

the worst of the next pay round is over. But Mrs. Thatcher and other Ministers

want legislation introduced

before Christmas to ensure it

reached the statute book

unemployment benefit and

tighter legislation on strikers'

benefit were part of the Conservative's manifesto pro-

posals, and the unions have

been warned to increase their

reserves if they wish to

A scheme being considered in Whitehall would involve

switching the payment of

sickness benefit from the

Department of Social Security

At present, an employee

can draw sickness benefits

after three days off work for

finance strikes.

to employers.

up to 28 weeks.

during the first session.

Both the taxation

Mr. James Prior, Employ-

over pay seem likely.

after the summer recess.

of strikes.

## Petrol rationing ruled out as prices soar

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that the increase in petrol sively for farmers and rural prices already imposed by communities.

some garages appointed to a The UK Petroleum Industry rip off, he refused to inflate Association has indertaken to any form of Government infer handle the requirements of vention and insisted that customers with problems in market forces must be left to times of crisis as flexibly and

Mr. Howell, who also under harvest and the weather impose lined the Government's deter sharp seasonal increases in mination to ensure that a higher agricultural fuel needs." price is obtained for North Sea oil, again ruled out the immediate introduction of rationing or special allocations THERE HAS been no for key industries. "significant change" in the But, he promised that way South Africa gets oil

particular areas of shortage; would be brought to the attention of suppliers

While Labour MRs accused
him of complicancy the
Minister argued that the

Governments approach to the world energy crisis was more effective than any of the alternatives they had advocated. He declared The users of the state of the sta oil and the consumers of petrol for the foreseeable future are going to have to find some ways

There is no way in which we can declare certain groups immune from shortage and a new era of high cost energy which faces this nation, every

worker and every consumer.

Replying to Dr. David Owen.
Labour's sliadaw energy Labour's shadow energy minister. Mr. Howell stated that further increases in the price of petroleum products must inevitably flow from the decision of the OPEC preducers in Geneva last week to increase crude oil prices.

Insider

dealing

Vietnam complaint

Radio hela line

THE Government was arged yesterday to cancel £4.5m aid towards the building of three

towards the building of three carge ships for Vietnam. Mr. Michael Gryffs (C Surrey NW) added. "It is not suitable for British tarpayers" mency to be used as a gift for a Government which is behaving worse than Hitler did."

FISHERWEN perc urged in the Cosmons yesterday to make more use of the special

open line radio channel set up in April to help boats in trouble. Trade Under Secretary Norman Tebbit said that

the open line, which enables the open line, which enables ressels outside VHE range to keep in touch with the shore through the night could save more lives. He hoped more fishermen would use it this

THE GOVERNMENT IS to

Parole review

As for distribution, action countries in Geneva would not private motorists must prepare taken, by the Government themselves to see oil and petrol should contribute to improved prices in Britain rise to world supply in the third quarter of levels. Mr. David Howelf, the the year although he recog-Energy Minister, warned in the nised that particular difficulties Commons yesterday remained in some areas Ignoring Opposition protests especially, although not exclu-

bring demand and supply into simply as supply constraints balance allow particularly where the

supplies under the aegis of BP, Mr. Howell told the

The proposal made by BP concerning "swap" arrange-ments with Comoco involving North Sea oil, had been put to the Labour Government. Labour Ministers had not soid "No." and BP had been left

without an answer.
"I think one should be very careful about exaggerating any alleged changes that have taken place because this could do immense and lasting damage to Britain's national and business interests in Africa and throughout the

Dr. Owen protested that some to be charging £1.40 and £1.48

be reaching Britain for four or five weeks.

large increases?" he demanded amid Labour cheers. The powers available to the Government under the Price Commission. Act should be used to prevent profiteering.

Dr.: Owen contrasted the Minister's refusal to consider the introduction of an allocation system with the demand made last week by Mr. Edward du Cann, chairman of the Conservative backbench 1922 Committee, that the Government should declare a state of emergency to safeguard fuel supplies for

agriculture.
Mr.: Howell replied that oil prices had been rising very rapidly over recent months-30 per cent since the beginning of the year-if not officially, through decisions by OPEC of the premiums because charged by individual members of that organisation.

The agreement reached in Geneva merely consolidated many of these increases. claimed that the pricing policies pursued by the Labour Government had created shortages of oil which the present Government had helped to ease

by the changes made during its first weeks of office. These shortages would be recreated if the powers available under the Price Commission Act were to be used.

But where there was evidence of local monopoly abuse or profiteering, this should be referred to the Department of

"It is my clear policy-and I believe it is the right policygarages were already reported to allow the market price to find world levels, and that will ena gallon for petrol even though sure that supply and demand the supplies affected by the in-crease imposed by the OPEC sumer will get a fair deal."

#### **Ministers** Joseph threatens to end Post Office monopoly benefits taxation

SIR KEITH JOSEPH, Secretary for Industry, yesterday threatened to break the Post Office MINISTERS are still conmonopoly for the delivery of letters if unions did not coployment benefit and legislaoperate in improving the tion to ensure that trade unions earry more of the cost

In a Commons statement, Sir Keith said he had called for reports in the next six months on the practicability and implications of possible modifications of the monopoly.

The move was immediately condemned by Mr. John Silkin. Labour's industry spokesman, as "ungracious and mean-spirited." Post Office morale would not

be helped by such "ill-considered threats," he declared. But Sir Keith was warmly supported by many Tory back-benchers—Mr. Jock Bruce-Gardyne (Knutsford) said that public sector monopolies tended to operate primarily for the benefit of those who work in

Sir Keith told MPs that the Post Office had a backlog of some 40m letters last week. Extensive work to reduce the backlog over the weekend had brought improvements but prob-

them.

lems still remained, especially in London and the South-East, Sir Keith said that special circumstances — industrial action, bad weather, staff shortages and letter bombshad contributed to the difficul- ensure that the public got its

lems have only confirmed that Government had allowed primuch needs to be done to tate mail operators in 1971, the improve the officiency and pro- services they provided had been ductivity of the postal service, strongly criticised, he said,

" I have made this clear to the chairman of the Post Office-for whom I have great respect."

Sir Keith said he had been long working hours, particularly disappointed that the Post Office's offer of better possible, in co-operation with Office monopoly."

management, to serve the public better, at less cost and without such long hours by improving productivity.'

Mr. . Charles Morris (Lab., Openshaw), a former member of the executive of the Post Office Workers' union, pointed out that there were 10,000

vacancies for postmen. Low basic pay, long anti-social hours and a six-day week up a notice advising his Labour colleagues to stay on the lems, he suggested.

Sir Keith repeated that many of the difficulties could be solved by negotiations to secure

higher productivity. Mr. Allan Roberts (Lab., Bootle) said that morale of postmen was being sapped by

the kind of statement made by Many trade unionists felt that wages confrontation was being encouraged by the Gov-

ernment to justify its policy of breaking the Post Office Sir Keith curtly rejected the

productivity and better services had been rejected by the workidea. A Post Office pay offer had been turned down in spite "If co-operation to improve of a recommendation from services is not manifest it will be necessary to review the Post

union leaders to accept it. Proposals to use casual labour

mail had also been refused, he Monopoly had its responsibilities and obligations as well as

privileges, Sir Keith declared Mr. John Page (C. Harrow West) said that Sir Keith's

statement was "sensible and And Mr. Ivan Lawrence (C., Burton), describing the recent

Sir Keith retorted that he had crisis as the "last straw" after years of organisational chaos. Many postmen resented their there wauld tremendous practical support "I understand it would be

offers apology 3 to Rooker

Speaker

THE SPEAKER, Mr. George Thomas, yesterday apologised to Mr. Jeff Rooker (Lab., Perry Bar) the Opposition social services spokesman, for remarks he made on Friday concerning the conduct of a vote in the Commons on Thursday night.

premises to take part in later votes, Mr. Rooker had in no way exceeded long established

"I offer my apologies to Mr. Rooker in this matter," said Mr. Thomas.

The Speaker added that the Deputy Sergeant-at-Arms, who reported on the incident "had not seen the smaller writing on the notice, but merely the words stay here."

"Every Speaker must be prepared to accept responsibility for statements made by him from the chair, and I offer my apologies to Mr. Rooker for my statement in this matter, said Mr. Thomas.

Thursday's division was one of a series on a Private Bill giving extra powers to the West Midlands County Council.

#### Coal stocks low

COAL STOCKS are significantly lower this year than at the same time last year.

Mr. John Moore, junior Energy Minister, told the Commons yesterday that total stocks at the pit head and at power stations stood at 27.4m tonnes in June compared with 31.5m tonnes in the same month

## **National Liberation** Army is banned

promise responsible for the murder of themselves." Mr. Airey Neave at the House. INSIDEE DEALING will be throughout the United Kingdom, Northern Ireland Secretary Mr. dealt with in the next Com-panies Bill, Mr. Reginald Eyre, Trade Under Secretary, Humphrey Atkins announced told the Commons yesterday.

Membership of the Irish T accept the need for legislation of this kind pro-vided that satisfactory National Liberation Army, will become a criminal offence.

Mr. Atkins told the Commons answers can be found to the he had already made an Order difficult problems of definibanning the organisation in Northern Ireland. The Home difficulty was not the principle of dealing with the problem, but of finding a precise definition of what constituted inside Secretary would bring forward legislatian to extend the ban

to the rest of Britain. Mr. Atkins made announcement during discussion of the continuation of direct the special powers the Government exercises there.

He also-disclosed that the Government was preparing to implement virtually all the proposals of the Bennett Report on RUC interogation procedures.
Mr. Atkins warned MPs that

statistics on security in the Province were not encouraging.
"All the information I have been receiving about the operanon of the terrorists is disquiet-

ing," he said.

During the past two years, the
IRA had been "regrouping, retraining, re-equipping themselves and rethinking their future tactics."

The Northern Ireland Secretary admitted that direct rule from Westminster - which is opposed by Northern Ireland

stop-gap.

But he replied to repeated. calls for a political initiative in duct of interrogations. "The the province: "The initiative is already under way. The suspects is a vital weapon for moves do not have to be eye the armoury of the security tatching or dramatic." Talks forces and I will not see it with local politicians had needlessly blunted." aiready begun and would con-

publish an assessment of the worldes of the parole system efter its first 10 years, peers

of Commons is to be banned ment's economic record in throughout the United Kingdom, Ulster. Replying in particular to former Northern Ireland Secretary Roy Mason's attack on the ending of the selective employment premium, he said the scheme had offered very little incentive to employers. And he stressed that law and order spending was not affected

> Mr. Atkins also implicitly rejected calls for the recall of troops from the province. "The defeat of organised terrorism calls for the strength, skills, and weaponry that only the

special attention to the areas on both sides of the border with Republic co-ordination and co-operation Republic and Northern Ireland

It was crucial that the Government continued to provide resources for policing and the fight against terrorism. He had in mind the immediate advancement of the final stages of the

Information obtained from

MPs of all parties-was only a not in any way accept the sweepquarters about the RUC's consuccessful interrogation of

# THE IRISH group believed the people of Northern Ireland

He also defended the Govern-

by the Budget's £35m spending cuts for Ulster.

Army can deploy." he said. Mr. Atkins promised to give

was essential.

police pay award.

intelligence was one of the main keys in penetrating terrorist organisations and activity. He was ready to additional resources for such work.

Mr. Atkins stressed: "I do

The security situation in Ulster did not justify scrapping nue. Ulster did not justify scrapping
"My role is not that of a any of the provisions in the conjuror who can produce Government's emergency powers rabbits out of a hat. Solutions for the province, Mr. Atkins will only be found by and with said.

## West leaves Unionist leadership



Mr. Harry West

BY OUR BELFAST CORRESPONDENT

MR HARRY WEST yesterday the departure of the late Lord resigned from the leadership of Faulkner, then Brian Faulkner.

The 62-year-old Co. Fer. Mr. West has always protested managh farmer (left) is handing that he accepted his position over to Mr. James Molyneaux, only out of a sense of duty at leader of the Unionist MPs in a time when talent was scarce. the Commons, until a new It has become increasingly

the autumn. His desire to stand down after live asked him a week ago to five years at the helm was communicated to the party in a letter more than a week ago.

It followed evidence of waning support for the Official Unionists who lost two seats to the Rev. Ian Paisley's Democratic Unionist Party in the general

The Official Unionist Party now has several weeks to decide

the Official Unionist Party, after . Mr. Molyneaux and the Rev. weeks of speculation about his Martin Smyth, head of the future brought about by his Orange Order, appear at personal showing in the present to be the only con-European elections. tenders for the leadership.

party leader can be elected in evident that he wanted to step the autumn. down although the party execu-

> reconsider. He faced a rebellion from some party members after his defeat in last month's European elections when he polled fewer votes than his younger colleague, Mr. John Taylor.

Mr. West was an Agriculture Minister in the now defunct Stormont Government and held the marginal Fermanagh-South where it can challenge Mr. Tyrone seat at Westminster Paisley's increasing popularity, briefly between the two 1974 The party's 1,000 strong general elections. He was a council will meet in September member of the former Northern to elect a successor to Mr. West. Ireland Assembly and later of who became leader in 1974 after the Constitutional Convention.

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Sir Keith Joseph

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Office's monopoly for the car-riage of letters." he asserted.

Silkin said that postal workers

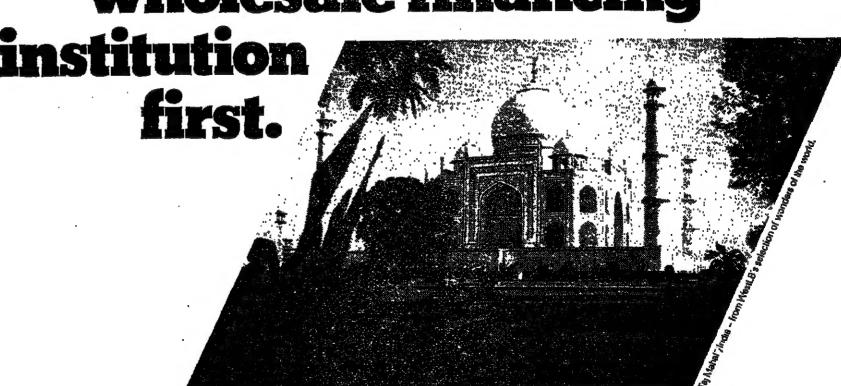
had shown they were willing

to work appalling hours to

a duty to protect the public.

When a

Attacking the move. Mr.



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## Recruiters' ideas on what makes a manager

BY MICHAEL DIXON

ing candidates for some particu- other people, plus the quality clarity; last was the craft of lar kind of managerial job in a of the manager's own "moti- writing effectively. client-company?

Any reader murmuring Boyden's head-hunters were answers such as "servile asked to consider each of these widely differing views about according to their importance the type and relative import- in seven kinds of managerial ance of the attributes needed for work. success in a given managerial

doubt numerous headhunting concerns suspect that ing in the U.S. and those elsethey suffer from such inconsist- where-have just emerged from ency. Certainly Boyden International did, and it lately decided to stop just worrying and to test the criteria used by its five dozen consultants in 29 his colleagues mainly look for offices in the United States. offices in the United States, when they are interviewing Britain and various other candidates for a job. countries.

To carry out the test, Boyden engaged the Rohrer, Hibler, Replogie Institute of New York: April, the consultants were managerial peculiar language of psychosociologese which is apparently
the native tongue of institutes
such as RHR): the abilities to group; third was the skill of the institute described as

tants look for when interview- solve problems, and to influence relevance, persuasiveness and toward the achievement of

geniuses" or "the echo of their five, and then rank the different own prejudices," should be constituent skills or other ele-ashamed of being so cynical. It ments in order of their importwould surely be no more than ance to the attribute as a whole. reasonable, however, to suppose Then they were asked to rank that different consultants have each of the five attributes

> The results of this two-step exercise — differentiating between the consultants workdifferentiating

#### Listening

plogie Institute of New York: When it came to judging the the first stage of the most important elements of a earch, which started in manager's ability to communicate, there was general agreefaced with 25 skills or other ment between the U.S.-based contingent and the group drawn behaviour variously grouped from other countries. First was into five main attributes. These the skill of listening; second were (to translate from the that of engaging in a dialogue—

WHAT do recruitment consul- communicate, to administer, to speaking one's ideas with poise, "directs the behaviour of others

There was general agreement, constituents of administrative ability. The most important was planning and organising in advance of events. Next came delegation, and then the skill of following-up so as to check that instructions have been understood and executed.

The problem-solving attribute was subject to disagreement be-tween the two contingents about what was the most important of the five elements. Those in the States thought it was "judgment reaches appropriate conclusions from available information," and gave second place to "problem analysis—grasps the source, nature and key dimen-sions of a problem." The Boyden consultants elsewhere ranked these two the other way round.

Both groups were agreed, however, on the order of the remaining three elements. It was: decisiveness in making a choice from various possibilities; being innovative in tackling problems; and abstract reasoning applying formulate general principles

from observed occurrences. No dissent emerged over the relative importance of the four constituent parts of the ability

sights or the assertion of will." Second was the skill of creating too, on the ranking of the three an impression of self-assurance and so commanding respect. Then came the demonstration of sensitivity to the needs and feelings of other folk. The

takes an aggressive, forceful approach." The matter of a manager's personal motivation, which the researchers considered to have nine elements, brought the widest disparity between the two contingents of professional interviewers.

fourth was "assertiveness-

The Americans gave pride of place to the application of sustained and well-directed energy in the pursuit of man-agerial aims. But "drive" was placed only second by the multinational group.

The U.S. choice for second was determination that a task should be carried out to consistently high standards. which the other contingent thought of fourth importance.

Both groups were agreed on the third-ranking element. It was famously expressed by Kipling: "If you can keep your head when all about you are losing theirs and blaming it on you." But the institute pre-ferred the phrase: "functions in a controlled effective manner

Initiative, in the sense of readiness to be the first to start, came fourth in the States. Elsewhere it was viewed as the most important quality of all-

There was universal accord on the fifth and six places: perseverance, and adaptability. Seventh by the American reckoning came the willingness to take risks, followed by the self-reliance associated with acting-on one's own judgment in spite of opposing expectations among other people and similar counter-influences. But here again, the consultants in other

countries chose vice versa. An active attitude towards one's own career, signified by the positive planning of personal advancement was placed last by both contingents.

#### Seven jobs

They then ranked the five main attributes in their order of importance to the seven different kinds of management post. These were the results: Top general manager:- U.S.

group: problem-solving, per-sonal motivation, influencing people, communication, administration: Others: communication, problem-solving, motivation, influencing people, administra-

Finance manager:- Both groups: problem-solving, admin, communication, motivation,

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high level in large multinational

team responsible for this work.

Marketing:- Both groups: motivation, communication, problem-solving. influencing,

Sales U.S. group: metivation, communication, influencing, problem-solving, admin. others: communication, motivation, influencing, problem-solying, admin.

Engineering and research-U.S. group: problem-solving communication. motivation. group: problem-solving, motivation, communication; influenc-

ing admin.
Manufacturing—Both groups: problem-solving, communicamotivation.

Personnel and other staff work Both groups: communication influencing, admin., problem-solving, motivation. So the ourcome of Boyden's

test, so far anyway, seems to refute the notion that different recruiters see the same kinds of job in widely differing ways. In the circumstances, the inter-nationally scattered consultants showed a remarkable degree of consistency.

This is no guarantee that the of criteria; of course. But if they aren't they are at least all wrong in much the same way. And, in either case, the results could be of use to any readers who find themselves being considered for a job by Boyden International.

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Riesse send a comprehensive career redume, including salary history, to W. L. Tait,



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Touche Ross & Co. Management Consultants

4-London Wall Buildings, London, EC2M SUJ. Tel: 01-588-6644.

#### FINANCIAL CONTROLLER collegel c.£7,000 plus company car

An autonomous marketing sales and R & D company, part of a multinational group, requires a qualified accountant capable of briganising and producing management accounts, costings controlling through his staff sales and purchase ledgers, debtors, foreign exchange transactions, quarter end and year end balance sheets and capital project evaluation. Age c. 30 preferred, to join a young team who clearly see growth opportunities using unique technologies brientated towards energy economy in the building market.

Telephone Mrs. A. Masters, Schlegel (UK) Engineering Ltd., Herriow Industrial Estate, Henlow Camp, Beds. SG16 6DS. Hitchin 812812.

#### YOUNG QUALIFIED ACCOUNTANT

We are a medium sized international construction company and require a young, qualified accountant with at least five years' experience in commerce. This exciting position will include the co-ordination of the group's international affairs, budgeting, forecasting, management and procedural controls and maintaining close links with the managing

This is a newly created position based on the confinued expansion of the group's business internationally and requires an energetic person with a keen enquiring mind who is willing to

#### SALARY CIRCA £8,000

H. Cowan Esq., c/o H. WEBR CONSTRUCTION LTD., Southend Arterial Road, Romford, Essex.

## BAHAMAS

Sal. (20,000/125,000.

c. 30 years Ref. 40013

Our clients, major international Brokers, require an Accountant for their Nassau Office. Must be ence. Flat and car provided.

20 Jan 19

SENIOR ACCOUNTANTS SAUDI ARABIA 5al. £10,000+ 25-36 years Ref. No. L1261

International Our dients. Brokers, have vacancies for Senior Accountants in various locations throughout Saudi Arabia General accounts (now qualified with R/E EDP, experting to Trial Balance, Single, not necessarily qualified. Preferably. Insurance of Travel experience. Free accommodation. 27 days holidays with return air fare.

PLEASE TELEPHONE IN CONFIDENCE Anthony I. Ovens M.E.C.I. Director. 1.P.S. GRGUP (Employment Consultants) 01-481-8117

## ACCOUNTANT

BERMUDA Ref: 41457

Major Insurance Group requires a Chartered Accountant for their Bermuda office. Excellent conditions of service. Age group 25 to 35. Salary \$19,500 per annum.

Please telephone-in confidence: Trevor M. James LP.S. GROUP (Employment Consultants) 01-481 8111

#### APPOINTMENTS WANTED

CHARTERED ACCOUNTANT, (PCA). 30, molti-lingual, diversified experience, seeks short term assignment. Phone 01-368 7826.

#### £6,000-£9,000 ACCOUNTANCY APPOINTMENTS

appear every Tuesday For jurther details

contact: SALLY STANLEY 01-248 8000 Ext. 7177

## **OPPORTUNITIES**

● 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.

As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next

employer. Our expert career advisory service executives who become vulnerable to the current fast changing market conditions

Telephone us for a cost free assessment meeting.

Percy COUTTS & Co. 01-839 2271 140 Grand Buildings.

Trafalgar Square, London WC2.

## bring your accounting qualifications and skills to the Cotswolds

Based at Cheltenham, but travelling to the Group's offices throughout the U.K., you will gain an insight into the systems and procedures of the Group and its organisation and, at the same time, gain experience which will prove particularly valuable in your career development.

You will be living in the Cotswolds.
 A salary within the range £6876 - £8226 p.a. plus full usiness expenses whilst travelling away from Chekenham.

 Excellent promotion opportunities.

rous house purchase loan scheme after a qualifying period.

Non contributory pension scheme and permanent health insurance scheme.

Discounts on personal insurances.

Interested?

If you are a Chartered Accountant in your 20's, having and looking for a position with responsibilities, then write with full curriculum vitae to: Group Personnel Manager, Eagle Star House, Bath Road, Cheltenham, Glos. GL53 7LQ.

Eagle Star Insurance Group



#### **CHIEF** ACCOUNTANT

MILTON KEYNES

We are an expanding subsidiary of a German company distributing spares for the motor industry and trade. Following a programme of planned growth we require an accountant experienced in commerce. Candidates are responsible for the monthly

management and financial accounts and budgets and are also flexible enough to handle local administration.

Experience of computers, import, and some knowledge of German language would be helpful.

This is a challenging position for an ambitious person, ideally about 30, who enjoys a versatile job.

Please write with curriculum vitae to: M. Hempei, M.D. JURID U.K. LIMITED 47 Barton Road

Water Eaton Industrial Estate Milton Keynes MK2 3BD Tel: 0908-74652

#### **Assistant Financial** Controller

Circa £6,500 Plus Substantial Benefits

The successful candidate will be under 30 years of age and a Chertered Accountant. This is a newly created post which would suit a recently qualified person seeking a move into commerce.

Benefits are a low-cost mortgage plan, non-contributory pension, BUPA, life assurance schemes and 4 weeks annual holiday. Relocation expenses, where appropriate, will be paid. Applicants should write, giving concise pels career details, to:

Mr. Alan Smith, Petsonnel Ma. HFC Trust Limited. Cory House The Ring, Bracknell, Berkshire Tel: Reachast (Mana)

#### APPOINTMENTS WANTED

#### SITUATION REQUIRED Oxford to Birmingham area

Senior Executive (49) of leading City financial institution specialising in portfolio investments seeks responsible permanent position (Finance/ Administration) outside London and preferably based in the above area.

Please apply to Box. A.6823, Fenancial Times, 10, Cannon Street, EC4P 4BY.

# Young Qualified Accountant

Beds/Herts Borders

Our client is already the market leader in one of the most exciting sectors of the service industry, operating extensively in the U.K., Europeand the Middle Fast. Plans are in hand to expand its operations and a young Qualified Accountant is nowneeded to be responsible to the Company Secretary for the accounting and management reporting functions. Extensive systems development is required to handle the increased work-load and consideration is being given to installing a computer later this year,

This is an ideal opportunity to develop commercial experience and business awareness and as the company is part of a large public group, career prospects for someone with potential and ability are considerable.

Applicants should apply for a Personal History Form, quoting Ref. No. AC239/FT to:

Thornton Baker Personnel Services Limited, Fairfax House, Fulwood Place, London WC1V6DW. Telephone: 01-405 8422.

#### EUROPEAN MANAGEMENT OPERATIONAL AUDIT

BASED BERKSHIRE EUROPEAN TRAYEL Due to continued company expansion and a number of recent promotions into both operational and line accounting functions, the International Audit Department of one of the major and highly successful U.S. multi-national companies seek to appoint bright young

recently qualified accountants of the highest calibre.

These challenging positions call for a high degree om initiative and creativity and include responsibility for the implementation and execution of audit and special ad-hoc projects. The analysis of operational and financial systems and the highlighting of problem areas, and recommending of remedial action to senior management throughout Europe. Africa, the Middle East and Asia are important aspects of the job.

Ideally applicants should be qualified accountants (possibly graduates) aged 23 to 27 the laws united some post-qualification experience within a large professional or com-

who have gained some post-qualification experience within a large professional or commercial environment, have had exposure to EDF systems and be capable of motivating others. Proficiency in a second European language would be an advantage. Although based in the U.K. there will be extensive travel throughout the division.

With a progressive approach to staff development, the company can offer excellent romotion prospects into operations or line accounting functions. A superb benefits backage is offered and rented housing may be available in the area. For further details telephone immediately quoting Ref: 3231/2.

## allan cameron associates itd



Our client is a very profitable, largely autonomous, 620 million turnover manufacturing group, part of a major international corporation. The position arises through the premotion of the present incombent to Finance Director of a major subcidiary.

Susseted in a new hoad office he/she will be a member of a small team of group executives. The position will entail the preparation and interpretation of financial statements, profit planning, cash forecasting, group consolidations and the development of financial reporting systems. This is a particularly challenging appointment in an expanding group with resultant career advancement

Applications are invited from qualified accountants with personality, presence and the willingness to become an integral part of the management team. Relevant experience in manufacturing would

Applications in Strict confidence to R. J. Welsi

Reginald Welsh & Partners Limited.

Accountancy & Executive Recruitment Consultants
123/4 Newgate Street, London ECIA 7AA Tel: 01-600 8387

## E Reed Executive

The Country's most successful Recruitment Service

## **Development Executive**

London W.C.2.

c £8,000 + car

A policy of diversified acquisition has contributed significantly to the rapid growth of this communications Group (T/O £60m). The Group Deputy Chief Executive is now seeking an assistant to operate in this area of responsibility. Aged in your late 20's you should be a Chartered Accountant with some post qualifying experience either in the profession or in commerce. In addition to involvement in international acquisitions you will also closely monitor the Group's competitors. The scope of the post is wide and varied and offers a self-motivated individual the opportunity to further his/her career in finance or general management.

Telephone: 01-836 1707 (24 hr. service) quoting Ref: 0721/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London, WC2N 4EA.

The above vacancy is open to both male and female candidates.

AbLondon Birmingham Manchester Leeds Acceptable

#### £6,000 £9000 accountancy appointments,

These advertisements appeared in the Financial Times on 26th June, 1979 Job Title Salary | Location Advertiser

Group Management £6,500 | London based Accountant Plant Accountant £10,000 Tax Free | Saudi Arabia £5,000 | Ipswich £7,000 | Luton Company Accountant Cost Manager £9,000+Car Rural North Director and Chief Midlands Accountant ENeg.+Car London International Credit Control Merchant Bank-£7,500 Accountant Senior Lectureship in £8,182-£10,097 Dundee Accountancy & Finance £8,000+Benefits Corporate Finance £8,500 | SW1 Finance Analysis 000,8£ Young Chartered Accountant £8,000 | Watford Project Accountant £7.750+Car | Watford Chief Accountant Channel Islands, Accountants £7,000 Hong Kong

Taxation Accountant from £8,000 + Car | London Sezior Accountants Sierra Leone

Chief Accountant £5,500+Mortgage Investment Accountant Designate Director

Subsidy Executive Appointments Company Secretary/ £8,000 + Car | Basingstoke Financial Accountant

Sierra Leone

Wembley

Phone Roy Stockton— 01-839-1836/7 University of Dundee Stephens Selection Stephens Selection Combine Recruitment Consultants The Personnel People Helmore Relmore & Co. Insurance Personnel Selection Lid. Lockyer, Bradshaw & Wilson Sierra Leone Electricity Corporation

Merican Curtis

Merican Curtis

ment Ltd.

Reed Executive

Britannia Airways

Bull Holmes Manage-

Sierra Leone Electricity Corporation Cannon Assurance Telephone 01-567-8526 Percy Coutts & Co.

Goodall Barnard &

For further information see the FT of that date or telephone 01-248 8000 Ext. 526 or 01-248 5597

● Wang is now recognised as the second largest supplier

of small business computers in North America and the

largest worldwide supplier of

screen based word processing systems.

ture elevation required

It must be stressed, however.

says the company, that the heat-

ing is to reduce the viscosity of

the oil prior to centrifuging

and in no way does the oil

GREATLY increased life has been given in the range of Morton Machine's Multimix commercial making machines.

especially when used for mixing

especially when used for mixing abrasive materials. The entire end bearing can he dismantled and worn inner liners removed and replaced with only minor delays to production schedules. Before this new option, a machine working with abrasive materials would normally last about two years. Now only the liner and mixing elements need to be replaced and this can be

to be replaced and this can be

done within a few hours at

relatively small cost. The worn

mixing parts can then be re-conditioned for further use. The

become sterilised.

HANDLING

## Rising market hope

turers a chance to regain some of its most useful facilities is of the ground lost in the world- located at the parent company's wide recession in the business. works at Memphis, Tennessee, This recession has been where a lift test tower 11 floors aggravated by the swing away high is available. It can be used from high-rise to low-rise blocks for testing up to four lifts at a and, so far as the UK is con-cerned by the fact that some 60 time—from a simple type for per cent of this country's low-rise buildings to the most requirements are supplied sophisticated lift travelling at either direct from European up to 1,000 ft per minute. sources or through manufacturing operations in the UK controlled from Europe.

One of the UK's foremost marketing strategy at the move

The company specialises in it is the market leader in this tions together with small packaged units for old people's for hospital bed lifts.

The oil/hydraulic principle, it is claimed, can cover all requirements in low- to medium-rise buildings designed as this year of which some 20 per offices, high-quality flats and cent will be for refurbished hotels. A special range of lifts buildings. It has recently upin areas where vandalism is a in areas where vandalism is a

So far as research and de- St. John Street. I velopment is concerned the EC1V 4JQ (01-253 9081).

#### RESEARCH

#### Photos down a gas well Testing was first carried out

PHOTOGRAPHIC team from Harwell has successfuly taken at Harwell in methane gas at pictures nearly 8,000 feet down 3,800 nsi and 80 degree C. inside an operational gas well under the North Sea.

Object was to find an unknown obstruction for Conoco and the. camera used was based on a unit from Underwater and Marine Equipment of Farnborough. Three-and-a-half inches in diameter, it has its own illumination in the form of an integral ring flash inside the mild steel housing, with twin glass windows to separate imaging and illuminating fields.

REFURBISHMENT of buildings company considers itself among

Hammond and Champness says that for the growing refurbishment business it has developed a unique capability manufacturers of lifts, Ham- for installing oil/hydraulic lifts mond and Champness, is in old buildings which have fighting back by taking advan- structures unsuitable for or tage of the latest technological are unable to bear the additional developments and by aiming its load which would be imposed by normal electric traction lifts. away from high-rise buildings Lifts, often tailor-made, have and at the increasing need for already been installed in listed making the best of existing buildings without major structural alterations.

A fundamental part of the lift oll/hydraulic lifts and reckons lift business is concerned with servicing and repairs and as type with a range covering Hammond and Champness does direct-acting, side-acting, cantinot have to depend on imported not have to depend on imported levered and suspended applicato have advantages over many its competitors. Servicing homes and twin-ram applications facilities are available from 17 branches spread around the

The company expects to probook" and this can be obtained from its head office at 159-178

as items of regular shape. Labels can also be applied to products London with projections, such as bandles. Twin units can label both sides of a product simultaneously, and the wrap-round is suitable for applications needing labels either part or fully wrapped round the product. Printing facilities include batchcoding, date and price. Up to two lines can be printed.

3.800 psi and 80 degree C. The dry-print model, called Although it was built specific-Voiantis, is a fully automatic self-adhesive label printer and applicator which can be incorally for this purpose, the team thinks it might be useful in porated into existing packaging/ other applications where photofilling lines or supplied with a graphy is needed in restrictedsize tubes or in conditions of purpose-built conveyor. Many different coloured foils

high pressure and temperature -possibly in the chemical engineering field. expected to become popular in the food and pharmaceutical in-Enquiries to Mr. C. R. Arnold, dustries, says the company, Photographic Group, Building 354/11, Harwell, Oxfordshire OX11 0AR (0235 24141). where the print quality demands are very fastidious.

The following figures, in millions of U.S. dollars, are from the report on the balance

12.05

15.67·

644.00

2.338.00

1.775 =

CONSTRUCTION 1978

Iron and steel industry:

Bagnoli (Italy). -

for Vibasa (Brazil).

Other sectors: •

PLANTS CONSTRUCTED OR UNDER

829.75

(11.48)

(10.33)

(12.86)

(580.00)

(1.604.00)

(1.624) =

primary area and rolling mill area of the 3,000,000

- 10.5 meter hearth diameter blast furnace, including the

relevant raw materials storage yards, at Piombino,

stackers and reclaimers for C.V.R.D. (Brazil), rebuilding

of numbers 1 and 2 coke oven batteries for halsider

direct reduction plant for IRFIRD at Prombino (Italy).

continuous steel strip annealing furnace for the Italsider

Oscar Sinigaglia plant at Comigliano; soaking pits for Arbed (Luxemburg); heat treatment car type furnaces.

billet reheating walking beam and rotary hearth

furnaces for various italian companies; vertical

- nuclear power plant at Cordoba (Argentina);

- five car type furnaces and two soaking pits for - Autopromimport (U.S.S.R.):

nickel ore handling machine in New Caledonia (French

Oceania), extension to the cement factory for Cementir

at Livomo (Italy), completion of the desalination plant

at Taranto, four waste water-treatment plants and one

tons/year steel plant at Bandar Abbas, Iran,

- 700,000 tons/year B.O.F.steelshop for Nikex

società italiana impianti p.a.

sheet for the year ending december 31, 1978.

LEGAL AND EXTRAORDINARY RESERVES

CAPITAL

NET PROFIT

**TOTAL BILLING** 

NUMBER OF EMPLOYEES

ITALIMPIANTI is the company of the IRI-Finsider Group

several parts of which are composed utilizing the relevant

ITALIMPIANTI collaborates with other companies in the IRI-Finsider-Finmeccanica Group in order to develop

In this manner, the maximum range of plant and relative services are available to the customer from within the

Start-up and testing plus on-going assistance in the

- Solution of the financing, commercial, purchasing and

ITALIMPIANTI has an active role in many industrial

sectors: the iron and steel industry, non-ferrous metals.

ecological projects, cement factories, desalination plants,

energy, shipyards, the car industry, mine engineering and

ITALIMPANTI has also extended its business organization to many countries overseas. Other than the following branch offices: Buenos Aires, Tehran, Mexico City,

America; Inc. (New York) the following point ventures are also formed: Iran International Engineering Co. (IRITEC) - Iran, Tecnicon - Impianti e Tecnologie Congiunte with the

Kinshasa, and the Italimpianti-owned companies of:

Italimpianti do Brasil (Rio de Janerro and São Paulo), Italimpianti Deutschland (Düsseldorf), Italimpianti of

U.S.S.R., Egitalec - Egyptian Italian Engineering and

running of the plant after acceptance by the customer. Training and qualifying of new personnel for the plant.

organizational problems encountered with a new plant.

marketing, production, research and new technology.

which specializes in plant engineering. The company designs and constructs complete industrial plants, the

specific technologies..

Site supervision.

industrial site planning.

Construction - Egypt.

The services provided include:

Design, engineering and construction.

- Exchange (UICE rate) Italian Lire / \$

**WORK LOAD** 

• MATERIALS

# eenica Page Steel will hush the decibels

from a UK company, ex stock, in many grades.

Steelacoustic material can be cut, shaped, punched, deep-drawn, folded, welded, riveted has given hard-hit lift manufac- the leaders in the lift field. One and otherwise formed or joined in much the same way as ordinary sheet metals.

It has exceptional capacity to reduce both structure-borne and air-borne noise, and has application as raw material for panels, cabinets, guards, hoods, chutes -indeed any enclosure or structure for static or mobile equipment, where the generation of noise caused by impact or transmission must be minimised, or its containment is

Standard Steelacoustic is a

toiletry, costmetic indus-

It has just launched a fully-

Boston, Lines

the Lacerta range: the Twin and the Wrap-Round; both are

designed automatically to label

products with a combination of

flat and curved surfaces, as well

Two models are offered in

(0205

PACKAGING

Labels are

bound to

n 6-8 week delivery. acoustic, to specify and, if In addition, the material can required, on the design of be supplied symmetrical (both structures for particular applifacings the same thickness) or cations.

asymmetrical. Different face metals can be combined to suit

is a young British company, and of the panel claims to be one of a very few noise control, from investiga- unbonded

better than that of conven- overall thicknesses, available and buildings. In addition to 2.3 mm and 3.3 mm. Other pany is able to advise on which thicknesses up to 6.5 mm are particular grade of Steel on 6.8 week delivery. acoustic, to specify and, if

> Mechanical properties Steelacoustic, such as flexural special needs; for example work rigidity and buckling strength, hardening stainless steel on one are generally comparable to well-proved formula; and the simply removed and thrown side and mild steel on the other. those of two sheets of metal laid company will advise on this away or kept for audit purposes. side and mild steel on the other. those of two sheets of metal laid It is normally supplied in sheets loosely one on the other: the aspect. Similarly, though most in addition, use of foil in 1,000 x 2,000 mm or 1,250 x tough but soft, "mobile" inter- traditional forming and join.
> 2,500 mm, and priced by the square metre. The company is one of the vital elements in the material, the company will will supply any quantity from sound-deadening characteristics provide guidance on the best But this does not add to the a single sheet up.
>
> But this does not add to the terminous.
>
> Noise Control International tensile or compressive strength cations.
>
> Noise

specialising in all aspects of much higher than single or Place. Cl noise control, from investiga- unbonded double sheets 0249 50421.

LAMINATED STEEL with sandwich of cold-rolled electrotion services through design because the thermoplastic layer noise transmission deadening galvanised mild steel with a and fabrication to installation makes the material much less properties up to 900 times visco-clastic core. Standard in the soundproofing of plant prone to fatigue failure. During tional steel sheet, is available ex-stock, are 0.8 mm, 1.2 mm, supplying the material, the com-fractured after 17 hours, whilst parable thickness subjected to the same tests took 11 days

> structural substitute for conventional single sheets is ment without effort or mess. readily made, according to a When used up the cassette is techniques for particular appli-

Noise Control International, Fatigue strength, however, is Hutech Services, 38, Market Chippenham, Willis,

## Heating and cooling costs cut

WHEN SWEDISH research lng in diameter from under Executive's engineer Carl Munter designed 600 mm to over 3.6 metres and garage for w his heat recovery wheel in 1959 200-250 mm thick. It looks he little knew that 20 years rather like the end of a large later It would have an import-NORPRINT is among the leaders of labelling systems in the UK for food, pharmaceutiant role in energy saving in but the material is a fibrous such diverse applications as a type of asbestos paper. Flat Doncaster bus garage, a Poole, and corrugated sheets of this of diesel fume contaminated air Dorset, swimming pool and a material are cemented together a minute from the garage's Middle East hospital project.

However, these are but a few automatic, in-line or free-stand-ing self adhesive labelling system produced at Horncastle of the locations in which this device, called the Econovent, is now to be found and Acoustics and Environmetrics which is marketing it is preparing for a fresh surge of interest in this means of saving energy when ventilating, heating or cooling buildings.

> Rotating wheel heat recovery units have been used for very many years in industry, but when Munter found that if the materials from which they were constructed were changed so that they were in part hygroscopic then the water vapour in the exhaust air would be absorbed by the heat exchange material of the wheel matrix. thereby giving up its latent heat for recovery.

As a result, the original heat recovery wheel's efficiency at the turn of the century of 30-35 per cent when applied to ventilation air neat recovery systems has been raised to 75 per cent and, claims Acoustics Many different coloured foils and Environmetrics, as high as are available and the system is 93 per cent for short periods under ideal conditions.

Main component of the Econovent ventilation heat recovery unit is the rotating matrix. This is in the form of a wheel vary-

roll of corrugated cardboard, alternately and rolled one upon the other to form a cylinder. which then comprises a multitude of air passages between 1 and 1 mm in diameter.

After construction the wheel is processed in a patented treatment to drive the crystal water from the asbestos and to replace it with a hardening desiccant salt, lithium chloride, to give the wheel a crisp biscuit. like texture.

The matrix wheel has a hard central core forming an axle which runs at either end in ball races which are housed in the chassis encompassing the wheel. Within the chassis, or adjacent to it in the case of small units, there is a small electric motor which drives the wheel's rotor at a maximum speed of ten rpm.

One of the more imasual applications for the Econovent,

Donesster garage for which ten units have. been ordered at a cost of over £41,000. These units will be used to keep heat in and diesel fumes out and will be capable Reclaiming of handling 120,000 cubic feet extract ventilation system and transferring the incoming fresh air.

Econovents has come Saudi charged.

Econovents has come Saudi charged.

Econovents has come Saudi charged.

This is worth over Unit is designed to process Morton Machine, a Fedman Arabia. This is worth over Unit is designed to process Morton Machine, a Fedman Estation of the Company of the Health Training Institute of

Saudi Arabia.

Purpose of these units, due • COMMUNICATIONS for delivery in August, is to Rig nanels for recover "coolth" from the sir Rig nanels for conditioning installation and use it to reduce the energy needed to keep the building cool in the hot Saudi climate. Acoustics and Environmetrics.

has its headquarters at Ruxley as hinted earlier, is at South Towers, Ruxley Lane. Claygate, Yorkshire Passenger Transport Surrey KT10 OUF. (78-67281.)

#### Blocks cure themselves

lons of fuel oil a year will result from the design of a new been constructed and there are

the plant after visiting similar operational. installations throughout Europe,

יים לים בייתנים

a 200-tonne-an-hour-capacity washing and screening plantings concrete block production unit new production facilities for by E. H. Bradley Building Products of Swindon:

new production facilities for Bradstone reconstructed stone rooting states and paving. Each ucts of Swindon: rooting states and paving. Esch Bradley's engineers designed of these units is now fully

In designing the static block the concrete blocks, the Bradley, plants to give optimum results: conserves the heat in terms of product quality and. eliminate the n naturally given off by chemical economits. Raw materials are threads reported the control bandled by a Winget low-level. It was proposed, it produce equally ligh-strongth batching and mixing plant cap-first thermoplastic of 175,000 a week. Eliming an hour. This has been interpreted with an MAS Bendorf blockmaking press which in turn is served by the Danish-made Harrup curing and stacking system modified by wracking system modified by wracking of E. H. Bradley on Swindon

4414n: (0793) 28131.-

Options available with the

new panel are either double or single glazing and a quick-release front cover for cleaning

This is a new design of panel

#### it solar unif

and inspection.

- blished from British Industrial Plastics, ome or most farler heating pulpment in the UK is introducing a new selar panel into

the home market, Commercial Solar Energy's Mark III panel, first produced six months ago for export, is which, suitable for many appli-the result of two years' work. cations in Britain and abroad, It has one square metre of is lighter, more durable, easier the result of two years' work. It has one square metre of patented collector mounted in

aluminium casing. This is which it is replacing insulated with both rigid poly-urethane and glass fibre. The 1, Woodthorpe Road, Mapperley, front cover is the Filon material Nottingham. (0602) 622847.

to instal and maintain and costs weatherproof, extruded less than the current model

#### a INSTRUMENTS

#### Two meters launched

MULTIMETERS have been from Sandbeck Way, Weatherby, introduced by both Farnell and Yorkshire, LS22 4HD (0937 Keithley for bench-top use. 63541).

ranges are included. -This 41 and 20 megohms. More from 1 digit instrument has autorang. Boulton Road. Reading, Berks. ing with manual over-ride. More RG2 ONL (0734 861287);

Keithley for bench-top use. 63541).

The Farnell instrument has six functions and a total of 22 Model 169 has a 31 digit liquid ranges with a basic de accuracy crystal display with 0.6 inch of 0.03 per cent. Known as the characters and offers five functions which are selected voltage from ten microvolts to together, with the range, by 1,000 volts, dc and true rms colour coded buttons. Measurealternating current from one ments of ac and dc voltage and microamp to two amps, and volt-age from ten microvolts to 750 made over 26 ranges with upper volts. Resistance and decibel limits of 1,000 volts dc, 200 mA

### Inexpensive telemetry

reasured and are leady at re- ally if required. dan mern. "

already in use by the customer נו איים היים ולה ישל לות מות איים ול היים ול ה he committed to a central com-

רי ייני אין ייניין אין rey ייניין אין א The second nrinter.
Normally the marter station

is set up by the operator via a keyboard to inspect the outstations sequentially and the printer programmed either to print the whole sequence or operate only if an alarm signal is identified. But the stations

-pleating to see a

PHYSIC L ... QUANTITIES can be interrogated individu-

rupply the equipment in par alone milden in a mild file and a mild file and a mild file a file district the district the file and a mild file and a mild file a mi

-" va a V24 - "fem. ].

#### embossed It is doing very well in the U.K. too! characters Telephone : Northwood 2821 APPLICATION OF colour to the tips of embossed characters on plastic cards is made easier by the Model 100 machine from ing on the degree of tempera-

Farrington Division of Dymo-Selection of the grade and Business Systems.

thickness of Steelacoustic as a Disposable foil cassettes are used which allow easy replace When used up the cassette is

cassettes means that colours can

PROCESSES

Colours the

be outckly changed. Embossed cards are placed in one by one and gently depressed. VIXEIS 13St heat and pressure tip the characters and the foll is advanced ready for the next card.

Fither A (CR80) or F (CR50) size cands can be tipped and with minor adjustments thinner than normal cards can be dealt

The foil cassettes are supplied in packs of three in gold, blue, black or white; each cassette gives 1,000 impressions. The company is at Bromwells
Lane Feltham Middx TW13
7DY (01-751 6141).

heat to TYPICAL APPLICATION for incoming fresh air unit type OTU2/150, developed liner is expendable and can be At the Dolphin swimming by Alfa-Laval Company, Great made in steel, glass fibre or pool at Poole, Dorset, a heat West Road, Brentford, Middle rubber. recovery system based on four sex (01-580 1221) is in a swarf. Each machine in the new Economounts has been intelled. Econovents has been installed house where the oil spun off range is supplied with several and it is expected that the pro- swarf can be cleaned and sets of mixing ploughs and ject will pay for itself within returned to the workshops, and spare liners. All can be fixed 18 months of start-up. 8 months of start-up.

any water or soluble off present by operators without the need Third of the latest orders for will be separated out and dis- for extensive or specialist

of units for installation in a in volume and has a cycle time diary, is at Atlantic Works, building in Dammam for the of about 31 to 4 hours, depend. Wishaw, Lanarkshire ML2 OAD.

Big panels for display display requirements in exhibition areas within companies and in similar venues is a standard package of panel based on the floor and no framework or feet Riccibuild SB system able to are needed to maintain rigidity. provide a 14 metre run of

a 2 metre run of hardwood fencing, and connectors. There is no gap between walls and More from Fleetbuild Panels (London), 71 Temple Chambers, Contents are six J-curve Temple Average London EC4Y panels, four 1 metre wide flat OHP (01-353 3918).

### Produces a neater ioin in fabrics

FOR YEARS the textile indus ultrasonic speed and is able

possibly there could be some this has been overcome.

simple system of melting The series is built in together or even "spot weld of three 450, 900 and 14 ing "thermoplastic fabrics, but to meet the needs of little progress was made with this concept as the roughness of melted edges was generally

felt to be unacceptable.

A completely new system of both cutting and sealing such fabrics has been introduced by Road, Western Avenue, London

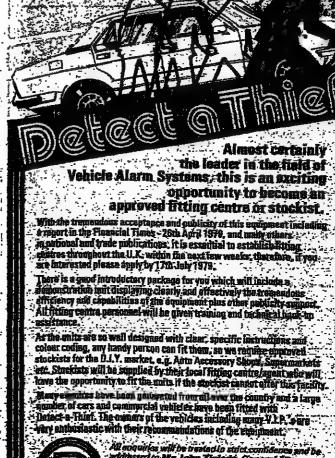
the Series 7010 ultrasonic cutting and sealing equipment. The idea is very simple. An "anvil" is placed beneath the fabrics to be trimmed or joined and a duction of disposable protective cutting horn is positioned above clothing and a number of other the material. This vibrates at possible end-use applications.

but instead of following the plant, the engineers selected by has been searching for an both to cut and join the normal practice of steam-curing sections of other package-deal alternative to sewing and, even materials. In earlier developbetter, something that will ments of this kind there was a Droblem of anyth a ing damage to the circuity of to produce equally high-strength batching and mixing plant cap-first thermoplastic synthetic to metal contest blue and mixing plant cap-first thermoplastic synthetic to metal contest blue. Dawes solld concrete blocks at a rate able of mixing 100 cubic yards fibres were introduced, that claims that with the series 7010 of week. Elimins an hour. This has been into metal contest, that claims that with the series 7010

The series is built in a range of three 450, 200 and 1400 W-to meet the riceds of various types of weights of materials.

The system is simple and because it is cold there is no boild-up of contaminants on either anvil or norn and the join between two materials is no thicker than the original

fabrics. Gay saged application for the new process is in trimining away carpet backings cutting and sealing bra straps, seaming waterproof garments the pro-



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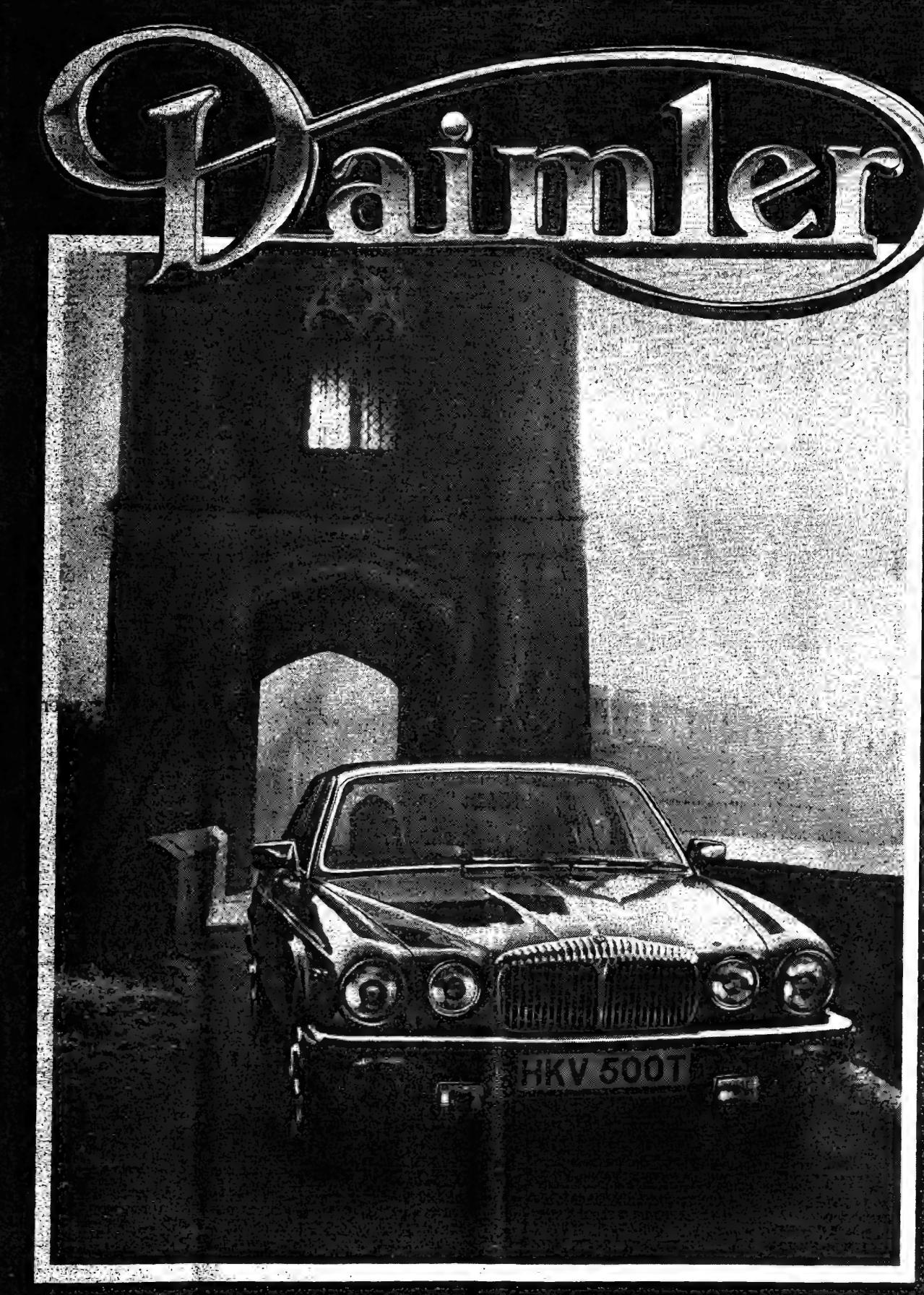
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4-5-6 JULY

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Debentures and 61% Guaranteed Non-convertible Debentures
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mentioned Debentures, notice is hereby given to Debenture holders that the Beecham Group Annual Report for the year ended 31st March 1979, was posted to share and loan stock holders on 2nd July, 1979.

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MOTICE IS HEREBY GIVEN that the Annual Report for the year success 31st March 1978, was posted to successful and loan stock holders so 2nd July. 1978, and loan stock holders so 2nd July. 1978, at the Motel Inter-Continents. Namical March 1978, at the Motel Inter-Continents. Namical March 1986, London W.1.

PAGNIE PRANCANE DES PETROLES

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# Avoiding the pitfalls of modern planning

THE ENVIRONMENT within which companies now operate has never been broader more capidly complex and more rapidly changing. So claiming for the future as the only way of even partially controlling their desting has never been more difficult.

The challenges are even broader than this series of action of a local community to arrive articles has so far suggested a proposed investment in its the carried out? No two companie

Not only must managers cope area).

with all the unpredectabilities. Perhaps most important of of inflation, economic growth, tall, the chief executive must be competition, technology and the a ready to play a key—and rest, but whole industries can onerous—role. This applies rapidly, become outdated as particularly to the difficult task their life-cycles accelerate. of ensuring that the roles and it is difficult enough for responsibilities of the planning managers, themselves to cope process are clearly allocated with this pace of change, let but that at the same time the alone to take along with them interdependence of all parts of the organisation's many other the organisation is always recognized by the organisation of the organisation is always recognized by the organisation of the organisation is always recognized by the organisation of the organisation is always recognized by the organisation of the o

complicated further by the in. it translates the chief execucreasing pressure being ever tive's strategy into a series of
cised upon it by the other stake visibly achievable propositions
holders, especially politicians which are continually moniand the bureaucracy, and all tored, as part of a continuing
sorts of consumer groups (try process.)

and find environmentalist in Secondly, it produces an

corporate strategy—to be car which they were based. This, ried out in as efficient a manner in turn, means that unsuccessas possible. In particular, it ful plans is projects can be dis-underlines how rigorously the carded more rapidly—a key flow of data within a company point for many indumust be controlled, so that it companies today. does not flood both suppliers. Thirdly, it forces and recipients, thereby bring define the vulnerable.

This is by no means the only as important a part of manage-must" for successful planning ment thinking as the need for 100ay. As the diagram shows, growth This tends to encourage the data must be qualifative as a more positive distinction well as quantifative for expetiment risks to the balance ample, assessing the likely re-sheet (preferably always



hareholders, employees or Properly carried out, plan-ociety ning more than justifies the The management's task is strain and cost involved. First,

years). The pace of the plans are formulation and execution of the pace of the plans are formulated process. Indeed, the whole implementation, monitored to formulation and execution of the plans are produced. point for many industries and

and loss statement (which can are then translated into shortbe commercially justifiable).

Fourthly, its evaluation of alternatives gives management the ability to initiate more positively, and to react more rapidly, usually, the number of supprises it also reduced. surprises" is also reduced. So much for the basic principles of planning. How should

No two companies can successfully operate exactly the same planning process and - as has been repeatedly emphasised in this series of articles — terminology is used in very different ways, which can often

be more than confusing.

For the purpose of this article, corporate strategy is taken to embrace the overall activities of an organisation in defining its sequently implementing its detailed plans.

#### Iterative

The diagram breaks the formulation and execution of corporate strategy into four parts, though it must be stressed the process is highly iterative, and that more than one stage may proceed in

First, what might be called the strategic analysis, or situation audit, by which a company conducts a disciplined analysis of those internal and external factors which may affect its, future activities. This includes such internal questions as the company's balance of businesses with different characteristics: cash generating, cash consuming, and so on (which is where such techniques as "portfolio analysis" and "gap analysis" can be used). Frequently of greater importance is its external posture, for example the relevance of its products or the fragility of its markets.

The next phase is the formulation, or determination, of the long-term objectives that are appropriate given the informa-

EXECUTIVE HEALTH

term "goals." or "missions."

Then comes the process of choosing between the various ways in which the strategy could be translated into practice. Quantified plans, again ranging over different periods, though this time including the very short term, are prepared to translate the strategy into intelligible operating language. In some companies, this part of the process is broken down into what is called Tactical and Operational Planning, in others as in the graph—it is given the title of Corporate Planning. In others again it is sometimes used to describe the entire process of planning within a

Finally comes the implementation of the plans, and their subsequent monitoring. Again, it must be emphasised, as in the diagram, that these stages are

not separate but iterative. The diagram illustrates the parts of the organisation which have a particular key role in the planning process and its

implementation. The central function of the chief executive is to formulate and implement the strategy which ensures long-term survival through profit and cash Implicit in this generation. central role are:

 defining the organisational framework within which the planning function operates taking a "broad view" of the environment and ensuring that the strategic analysis (or situations audits) covers the

factors of critical importance maintaining the balance between short and long-term ensuring that the best creative

talent in the organisation is available and directed evaluate future issues of displaying visibly his commitment to planning • providing the entrepreneurial

2 4 D, trofes wine

• building this "dynamic" into the planning operation by successfully motivating everyone concerned.

dynamic to overcome bureau-

The Planning Department does not determine strategy. although it can be the chief executive's eyes, ears and sounding board. Its positive responsibilities are to:

secure rapid but economic transmission throughout the organisation in a way which sifts information into a digestible format for the specific receiver act as a catalyst in obtaining

creative input from the operating divisions or central func-• forge planning links across

organisational divisions, for example R and D and marketing evaluate alternative plans that reflect the chief executive's formulated strategy

be subsidiary companies, geographical entities or product eliminates the extreme bottomdivisions. Depending on the size of the company, in each case their roles in the planning process are similar; in a small organisation it may rest with one man reporting verbally. while a large division may prepare its own business plan.

STRATEGY FORMULATION

Business plans are prepared of the division or unit itself. slong. The relationship between these plans and the organisation's finance. because they usually contain a bid for additional resources and validity of its forecasts for its mentation.

(money or people) is enhanced business plans can be objectively reviewed during the pre-

own products.

The Operating Divisions may between the central planning department and the divisions up' or 'top-down' planning approach-both equally damag-

effective relationship Αn ensures a proper input to the corporation's overall plan-for the only parts of the organisation that can provide detailed normally by the operating divi- ing groups or technology are sions or other subsidiary units the relevant operating divi-

marketing overall plan is crucial - partly research and development can, given sensible terms of reference, materially assist with the partly because this link is the central planning department essential double-check on the both by providing initial input division's optimism and the and by monitoring plan imple-

The importance of an easy The allocation of resources dialogue between the central parts of the organisation cannot paration of the overall plan and, planning invariably loses touch even more, if the relationship with the realities of the organi- planning tools.

and ultimately discredited.

Source : PA MANAGEMENT CONSULTANTS

The lack of a planning process of the sort described in this

 difficult for an organisation to select the most suitable directions for its future activities; even more difficult to harness the energies of its management teams in the chosen directions; and virtually impossible to absorb change fast enough. -

In our present environment an organisation without formalised corporate plauning is deliberately putting its long term survival at risk.

Derek Wynne-Jones Derek Wynne-Jones is Head of the Planning and Strateau Dirision of P.A Management

This is the fifth article of a series on planning. The first 1100 planning department and other appeared last Wednesday, June 27, the others last Friday, June will deal largely with specific

BY DR. DAVID CARRICK

Consultants.

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## Fighting the good fight against allergies

WHAT IS known about allergies that strange collection of disorders occasioned by certain foods, poliens, dusts, medicines. surface agents, some bacteria and so on which manifest phous ways in a minority of

Honest doctors and pharmacologists will frankly admit that we possess but a scintilla of comprehension; but one thing is certainly accepted, and that is that these strange maladies fall into several fairly well defined categories—conclusions arrived at by working backwards, by considering and interpreting

causes from results: Thus it is known that allergic reactions of a specific nature may be caused by inhalation; by surface contact; by ingestion of natural substances or those nade by man; by contact with oure substances or materials, or y man-made objects such as cosmetics; by injection of medi-caments made by man; or by stinging or biting creatures. The list is practically endless.

At this particular time of year in Britain, when many grasses and trees are scattering their collen in profusion, the particular allergy related to pollen-mistakenly known as "hay ever "-must take priority, for there are so many andortunate can be administered later— sufferers, sneezing and wiping within a month or two of their sore eyes, baving their Pollen-Day—and involve fewer

work grossly impeded and their injections. Sometimes the re- feared, instead of capering happily in the rain.

of attack, divided into preven tive means and suppression of symptoms. Further subdivisions occur, but I will try to make matters as uncluttered as pos

In the first division of this campaign come the specific desensitising concoctions in which special preparations of a allergens that have been found to be poison to an individual, are injected. These are administered at regular intervals, in increasing proportion, over a number of weeks, four or five months before the danger tolerance is increased.

season in order that the body's viding that preliminary sensitivity tests have been adequate and accurate, this method is very effective, though expensive and rather tedious to jabber and

Then there are the somewhat shotgun measures in which ex-tracts of the most common allergens are employed. These

able moping in air-proof rooms infrequently, however, a dis- rapid, if temporary, relief. gruntled sufferer from "hay fever" may well consider that being that, in January, the hay he has been the victim of a fever season seems a long way There are four major methods he has been the victim of a tions have no effect whatsoever. Both of these regimens have to be repeated annually.

Combative Methods

1.-Certain sprays and nose drops are sometimes very useful in coping with cases where noses give particular trouble. Some of these medicaments contain surface-acting antihistamine agents; while others, mainly based on ephedrine and variants of that drug, act by constricting superficial blood vessels and, therefore, cause a reduction in swollen mucous membranes and the excessive secretion arising therefrom About 16 varieties are available.

2.-Oral preparations containing anti-histamine drugs may be used in short-acting forms, others act over 12 hours. These preparations are usually administered in specially coated granules timed to dissolve during the various phases of digestion. At least 20 different

3.-For severe attacks, and particularly those in which an allergic asthma is present or

leisure hours devoted to miser- sults are most gratifying. Not steroidal preparations produce For several reasons (not least

(number two particular) are the most widely used. But one man's successful anti-histamine preparation is another man's soporific.

Pharmacologists, a happy, blinkered race, seem to think that all humans are exactly alike and will respond stereo typically to their pet product. Alas, not only do people react in very different ways to each other, the same person may differ from himself now and Thus, the wretched then. doctor has to trust in trial and error. Drug A may be very effective but causes drowsiness.



other drugs in this alphabet may be the perfect answer for the individual patient.

Fortunately, with so many to year.

Drug B may do the opposite.

Drug C may do neither but is obviously useless. One of the patient may be symptom-free, perhaps because the troublesome polien has passed peace-fully into posterity for another

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## A prophet in his own land

BY JONATHAN CARR IN BONN

THERE IS something of the Old Testament prophet about Dr. Otmar Emminger, president of the Bundesbank. Just as the party to celebrate the economic upswing is getting nicely underway, Dr. Emminger appears before the frolicking multitude with stern visage and upraised finger. He does not actually have the Bundesbank's duty to defend the value of the D-mark inscribed on tablets of stonebut his message is clear enough all the same. "Woe unto you who stray from the path of stability-for you shall see double figure inflation."

Naturally this is not the way to make oneself popular. The Belgians are upset because they feel the Bundesbank's tough policies are making it harder to maintain the parity of the franc within the European Monetary System. The Americans are irritated by Dr. Emminger's public references to their past policies and current plight as examples of what other nations should, at all costs, seek to avoid.

Things are no easier at home. In Bonn, government officials fear that Dr. Emminger's public. dramatic warnings about growth of money supply, inflation and a wages-prices spiral may undermine business and consumer confidence. The commercial banks, too, have felt the lash of Dr. Emminger's tongue. They have extended more credit (in the central bank view) than they ought to have done, they have strayed from the path revealed to them by the Bundesbank's money supply growth target. Indeed, so powerful were Dr. Emminger's exhortations to monetary belt-tightening at a recent pre-banquet speech, that several bankers present almost seemed to lose their appetite.

#### Modest figure

Many non-Germans will find this concern excessive. After all, the West German inflation rate is still well below 4 per cent—a modest figure indeed by almost any international comparison. Might it not be better for Dr. Emminger to pipe down? After all, some may unworthly point out, he is coming to the end of his term as Bundesbank President and, no doubt, might like to stay on for a while longer. Surely he does not want to encourage his .own replacement by one of those very com-mercial bankers whose credit permit another course.

Indicates programme in black and white 9.10 cm For Schools, Colleges, 1.30 pm Ragtime, 1.45 News, 1.55 Wimbledon: quarter-final of News for England (except London). 4.20 Play School (as BBC-2 11.00 am). 4.45 Hunter's Gold. 5.10 Ask Aspel. 5.35 Fred

policies he so roundly con-

Those inclined to argue in these ways should be prepared to answer a few simple questions. The first is-what would have happened to the European Economic Community after the oil price increases of 1973-74 had not West Germany, at first virtually alone, held fast to an internal stability policy which first braked the rise in domestic inflation, then dragged it down? Would the recognition that inflation is a main cause of unemployment have gained such broad international acceptance that today a devaluing currency tends to be seen more as a threat to internal price stability than as a boost to export competitiveness? Would France have adopted the tough stability measures of the Barre plan without the example of West Germany - a rival and friend alike? And if it had not done so what prospects at all would there have been of a Franco-German initiative for an EMS?

#### Moderate

Secondly, leaving aside for a moment the international point, what would be the impact on West Germany domestically of a constantly increasing inflation rate? It would be highly dangerous to assume that West German society would react in the kind of shock-absorbent way which British society has done (although some may well argue that double-figure inflation has already partly damaged that tolerance and common-sense which the British are generally held to possess). Make no mistake. If West German inflation even approached the levels existing in several neighbouring countries, then the kind of moderate government in Bonn to which Germans and the world have grown used could not be

That is not intended to be a horror picture. Bonn is not Weimar. There are several good reasons why Bonn will become Weimar. One of them is the commitment to a large measure of price stability and a strong currency by an independent central bank which, as It happens, is not in Bonn at all. That is why Dr. Emminger is right not to try to win friends but rather to influence people. There is too much at stake to

All Regions as BBC-1 except at

# The delights of the Loire

WHEN IN terms of white wines there was rather more of the one casts a metaphorical eye less good Pouilly-sur-Loire: grown on much higher, steeper over the central Loire Valley—and Sancerre averaged about from Blois to Angers—one is inclined to think of somewhat the steeper and somewhat the company of the district.

WHEN IN terms of white wines there was rather more of the while Sancerre, generally fine red in particular can be very crop totalled only 262,000 hecto- det mostly derives from the south of the district.

In the red in particular can be very crop totalled only 262,000 hecto- det mostly derives from the south of the district.

In the red in particular can be very crop totalled only 262,000 hecto- det mostly derives from the south of the district.

In the local grape was originally although Muscadet may seem the south of the district.

That is in good years. In others whites that because in Davis have a size of the control of the district.

The local grape was originally although Muscadet may seem the local grape was originally although Muscadet may seem the local grape was originally although the growing the growing attractive.

The local grape was originally although Muscadet may seem the local grape was originally although the growing the growing the growing attractive.

The local grape was originally although Muscadet may seem the local grape was originally although the growing the growing the growing attractive.

The local grape was originally although the growing the inclined to think of somewhat munes making both types of soft, sweet wines: Coteaux du Poully the area under vines penetrate Layon, Quarts de Chaume. Anjou roses, etc. This is not was only 400 ha, while stomach. quite correct, for both Toursine Sancerre's 13 villages entitled to and Anjou produce dry whites, albeit not of great characters the appellation contrôlec had a similar area devoted to white save for Savennières near wines and a further 40 ha Angers. Yet undoubtedly the devoted to the Pinot Noir, promost distinguished and dis-ducing mostly rose but also a tinctive dry white Loires lie at little red. Today there are either end of the valley: Pouilly 500 ha devoted to the Blanc Blanc Fume and Sancerre up- Fume, and the vignoble is growstream beyond Orleans and ing annually by about 30 ha; Gien, Muscadet near Nantes. To the output in a good year is be accurate, there is another dry over 20,000 hl. The more easily expanded Sancerre now covers white produced even further up the river, at St. Pourcain on the 1.200 ha, rising by up to 50 or Sicule tributary and not far 60 ha a year, and averaging from the Massif Central in nearly 40,000 hl of white and which France's longest river is another 8,000 hl of red and rose, born. Most is made there by It will reach its limit in the the local co-operative, and is existing designated area when better known for its rose and another 200 ha are planted. red, but all are VDQS On the few occasions that I have drunk them I have found Really dry them agreeable but, shall we say, uneventful. The AC white Loires begin at Pouilly and

Both wines are really dry with that sharp, attractive "cut" that the Sauvignon grape, from which each alone is made, gives everywhere. The plain Pouilly is made from the Chasselas, In the last 25 years both Sauvignon added, but it is a these wines have achieved a much duller, heavier wine and remarkable increase in populin general is being slowly larity and in quantity. In the superseded by the superior early 1950s the average output type. The Blanc Fume—the of Pouilly Blanc Fume was no local name of the Sauvignon

diately following the royal meet-

ing, is another with a penchant

for seaside courses and the

Ascot form was given a fillip by

the bold display of Huaralino in

the Coral Northumberland Handicap at Newcastle on Saturday. Oui Monsieur can re-

capture winning form in the Margate Handicap, though

Noble Heir is an obvious danger.

ATV

BORDER

9.30 am Carton Time. 9.40 Youth and Braas. 110.25 Film: "The Man in the Moon." starring Kenneth More. 1.20 pm Berder News. 2.30 This Year, Next Year. 3.20 The Royal Show. 5.15 The Squirrels. 8.00 Looksround Tuesday. 7.00 Emmardale Farm. 7.30 Film: "Crime Club." 11.30 Sidestreet, 12.30 am Border News Summary.

CHANNEL

**GRANADA** 

9.30 am They Own The Sky. 19.50 Morning Claema: "Reach for the

Miss Franca Vittadini, per-

ness and "strike" that seems to has led to markedly higher

almost to the prices. In the capital there is always a fashion for a not-too-

#### WINE

BY EDMUND PENNING-ROWSELL

For years the best known expensive dry white wine, and Poully Fume in Britain was when Poully Fuissé and Chablis Chateau du Nozet, whose wines its 14-ha vineyard, but although this is now 45 ha its popularity has grown so much, particularly abroad, that 40 per cent of its requirements are bought in must, and the wine is sold the proprietors name, Ladoucette. It is, however, higher priced than other Poulltys, such as Chatean de

Sancerre, based on the charming little hill town perched high above the river valley, has achieved an even greater success. In addition to its white wine, it has a rose accounting for 15 per cent of total produc tion, though this is somewhat yielding to a red, now representing 5 per cent. These are made from the Pinot Noir grape more than 3,500 hl, although grape—is a flinty, elegant wine, of Burgundy, and in a good year

became too dear, there came the at one time came solely from turn of these two upper Loire wines; but these too have now moved up to become restaurant wines. Owing to disastrous hail in July, last year's crop of Poully Blanc Fume was only 14,400 hectolitre and the white-Sancerre total of 43,000 hectolitre was no more than average in the expanded vineyard area. The excellent 1978s are unlikely to cost in Britain less than £3.50-

> The wine with a claim to have taken over the har trade is Muscadet. This is produced on a much larger scale-over 500,000 hectolitres in a good year, fhough 1977 produced little more than a one-third crop of 197,000 hectolitres that caused prices to shoot up to heights from which they may or may not descend; unlikely, as the 1978 and north-east, and plain Musca-

£3:75 a bottle.

Muscadet, and alone is valid for the wine. It produces a very dry wine eminently suitable to accompany the fish particularly associated with Brittany and the Atlantic coast. It can be rather thin and acid, and to counteract this 2 growing proportion is bottled sur lie. This means that instead of the wine being racked off its lees when the fermentation is complete, it remains on them until bottling which normally begins from mid-February onwards, though there is now a Muscadet Nonveau that may be bottled before Christmas. The sur lie wine has more body and frulti-ness, and to ensure its authenticity, since 1977 it must be bottled in the area of produc-

#### Best area

There are three different appellations contrôlées: Muscadet Sèvre et Maine, Muscadet de la Loire and plain Muscadet. The first-named accounts for 80 per cent of output and is generally considered the best area, with the other two areas responsible for 10 per cent appece. The Sevre et Maine area lies to the east and southeast of Nantes, the Cote de la Loire is produced on both sides of the river to the city's east

The state of the s

cent, higher than Pouilly or Saucerre. It is a wine to be drunk young, preferably not more than a couple of years old, though this depends to some extent on the vintage. The '77 was much better here than elsewhere on the Loire.

#### Higher yields

The other white wine in the Nantais area is the Gros Plant. made from the Folle Hisnohe grape which used to be prolific in south-west France, especially in the Cognac region, but is now much diminished, and today its total production in the Loire district is less than 20 per cent of that of Muscadet. A VDQS wine since 1954, if is more frust-resistant than Muscadet, produces a higher yield, and is more robust though with less finesse: rather a clumsy wine though perfectly acceptable for summer drinking. for which all these dry Loire whites are particularly suited. The Nantais recommend a femperature of S.S.C (47 F) for their wines, but that seems to me too cold, numbing the wine, and I would prefer 10 C (50 F): and personally I find both Pouilly Fume and Sancerre delicious in summer if served at the traditional cellar temperature of 13 C (55 F).

## Eve 'horse for the course'

noon with meetings at Yar-mouth and Folkestone. Those who subscribe to the horses for courses" theory will look no farther than Eve for the C. J. Palmer Handicap (3.45) at Yarmouth. This mare has won seven times over the track, four times over today's distance.

Sancerre.

**Popularity** 

RACING BY DARE WIGAN

She opened her account for the season at the last meeting on June 13 and it will probably be a mistake to oppose her.
Although Francesco's two victories have been achieved against moderate opposition at Catterick, the probability is that this colt is a useful stayer in the making. I think that he will prove capable of conced-

BBC 2

bridge.

10.20 Top Gear. 10.50 Late News. 11.05 Wimbledon highlights.

19.50 "Destination Tokyo," star-ring Cary Grant, 12.09 Paperplay, 12.10 pm Once Upon A Time, 12.30 The Sullivans, 1.00 News plus FT index, 1.20 Thames

5.45 News. 6.00 Thames at 6, 6.25 Help! 6.35 Crossroads.

8.00 The Streets of San Francisco. 9.00 Rumpole of the Bailey.

except at the following times:-

7 It's some fun, I tell you, to

\$2-91vthf sturne

RADIO 1

RADIO 2

THE SEASON of seaside boliday ing 8 lb successfully to Hill's haps the most accomplished of racing gets under way this afternoon with meetings at Yarcap.

THE SEASON of seaside boliday ing 8 lb successfully to Hill's haps the most accomplished of our women jockeys, partners her gelding, Rose Track, in the Another animal who has dis-Q.H. Underider Stakes at Warwick this evening and the appointed Stoute is Union chances are that they will land Springs, a beaten favourite in

all his three races so far this the prize. Junella, with Carson in the season. But Stoute is adept at finding opportunities for the saddle, is the probable winner of the Mercantile Credit Handilesser members of his powerful stable and it looks as though he cap and Ben Elid, who shaped with promise when third to has found one for Union Springs in the Smeeth Maiden Castle Green and Stuart King ful sequence was brought to a halt by Huaralino and Shaab at Ascot on the Saturday income and shaab at Ascot on th

YARMOUTH 3.15—Francesco\* 3.45—Eve POLRESTONE 2.00—Union Springs\*\*\* 3.00—Oni Monsieur WARWICK 7.25—Junella 7.55-Rose Track\*\* 8.20—Ben Elid

SCOTTISH

9.30 am Castaway, 9.55 Clue Club.
10.20 Finnish Nature. 10.30 Star
Maidens. 11.00 Cartoon Time. 11.10
Animated Classics (The Last of The
Mohicans). 1.25 pm News and Road
and Weather. 2.30 This Year, Next
Year, 2 th The Report Shows. 5.15 Year. 3.30 The Royal Show. 5.15
Popeve. 5.20 Crossreeds. 6.00 Scotland
Today Summer Extra. 6.30 Oh No It's
Selwyn Frogeitt. 7.30 Emmardate Farm.
7.30 Feature Film: "Attile The Hun,"
starring Sophia Loran and Amhony
Quinn. 11.30 Late Call. 11.35 ProCelebrity Darts. SOUTHERN

9.30 am Coral World. 10.30 "The Man from Colorado," starring Glenn Ford and William Holden. 1.20 pm Southern News. 2.30 This Year, Next Year, 2.25 The Royal Show. 5.15 Betty Boop. 5.20 Crustroads. 6.00 Day By Day. 7.00 Emmerdale Farm. 7.30 McMillan, 11.32 Southern News Extra. 11.40 Mannits.

TYNE TEES

9.25 am The Good Word followed

5 by North-East News Headfines. 3.30
Feature Film: "The lan of the Sixth
Happiness," attring logid Bergman.

1.20 pm North-East News and Lookaround. 2.30 This Year, Next Year,
3.20 Time To Spare. 3.30 The New
Andy Williams Show. 5.15 Mork and
Mindy. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 "Cover Girle." 17.30
Check it Out. 12.00 Meude. 12.30 am
Epilogue. 1.20 pm Channel Lunchtime News and What's On Where. 2.30 This Year, Next Year. 3.25 The Love Bost. 5.15 Stars On Ites. 6.00 Report At Six. 7.00 Survival. 8.00 B.J. and the Bear. 10.28 Channel Late News. 11.30 Eacapade. 12.25 am Visages de France. 12.25 am Visages de France.

GRAMPIAN

3.46 am First Thing. 9.50 The Lost Islands. 10.15 Children's Matines: "Pulneturi." 11.45 Cartoon Time. 1.20 pm Grampian News Headlines. 2.30 The Royal Show. 5.15 George Hamilton IV. 6.00 Grampian Today. 5.05 Out Of Town. 11.30 Reflections. 11.35 Take The Mirck. 12.00 Grampian Lote Night Headlines.

9.30 am The London That Nobody Knowa, 10.10 Feature Film: "Malba." 1.20 pm Lunchtime, 2.30 The Royal Show. 4.78 Uister News Baddines. 5.15 Cartoon Time. 5.20 Crossroeds. 6.00 Uister Television News. 6.15 Mile-stones or Millstones, 6.30 The Best Disco In Town, 7,00 Emmardale Farm. 7.30 Rolf Harris. 6.00 The New. Avengers. 11.30 Leverne and Shirley. 12.00 Bedtime. 9.30 am Seseme Street, †10.30 Tuesday Metines: "Bulldog Jack." 11.40 Flashbuck, 1.20 pm Carboon, 2.30 This Year Next Year, 3.25 The Story of Wine, 3.50 Gembit, 5.10 The Undersee Adventures of Captain Nema, 5.15 Crossroads, 6.00 Granada Reports, 6.35 Emmerdale Farm, 7.05 University Challenge, 7.36 The Tuesday Movie: "Lucan." 11.30 Bivey, HTV

WESTWARD 10.25 am Sesame Street. 11.25 Call it Macaroni. 11.50 Certoontine. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 This Year, Next Year. 3.25 The Love Boet. 5.15 Stars On Ide. 6.00 Westward Diary. 7.00 Survival. 8.00 B.J. and the Bear. 10.28 Westward Lete News. 11.30 Escapada. 12.25 am Fatti for Life. 12.30 West Country Westher, Shipping Foecest. HIV

9.40 am Animated Classics, 110.30

"The Three Faces of Eve," starting Joanne Woodward, 1.20 pm Report West Headlines, 1.25 Report Wales Headlines, 2.30 The Tuesday Matrines: "Marriage: Year One," 5.15 Melgtooss, 5.20 Crossroads, 6.00 Report West, 6.15 Report Wales, 6.30 The Squirrets, 7.00 The Tuesday Movie: "Captain Nemoand the Underwater City." 11.30 West-side Medical. YORKSHIRE

9.30 am Everyaly Life in the Arctic.
9.50 carroon Time. 10.05 Model. Reliroading Unlimited, 10.35 Mumbly. 10.45
The Beachtcombers. 11.10 Moby Dick.
1.20 pm Calendar News. 2.30 This Year,
Next Year, 3.25 Calendar Tuesday. 3.50
Stars On Ice. 5.15 The Squirrels. 6,00
Calendar (Enlay Moor and Belmond
aditions). 7.30 Emmandels Farm. 7.30
"Cover Girls." T1.30 Sidestreet. situ tne Underwater City." 11.30 Westside Medical.
HTV Cymru/Wales As HTV General
Service except: 1.20-1.25 pm Penswden
Newyddinn Y Dydd. 4.20-4.65 Goglis.
6.00-6.15 Y Dydd. 6.30-7.00 The Quiet
Ways of Wales. 16.30 Bywyd. 11.15
World in Action. 11.45-12.40 am Westside Medical.

News. 10.95 Local Time. 10.20 DailyServica. 10.45 Morning Story. 11.00
Thirty-Minute Theatre (S). 11.30 A
Sidoways Look At. . 11.45 Listen
With Mother. 12.00 Naws. 12.02 pm
You and Yours. 12.20 Desure Island
Discs. 12.55 Westher; programme
news. 1.00 The World at One. 1.49
The Archers. 1.35 Shipping forecast.
2.00 News. 2.02 Woman's Hour. 3.00
Naws. 3.05 Plays on 4. 3.10 Questions to the Prime Minister. 3.35 The
Adventures of Harry Richmond (S).
4.30 Announcaments. 4.35 Story Time.
5.0 PMI News malazine. 5.30 Shipping tions to the Prime Manister. 3.35 The
Adventures of Harry Richmond (5).
4.30 Announcements. 4.35 Stary Time.
5.0 PM: News magazine. 5.50 Shipping
forecast. 5.55 Westher; programme
news. 6.00 News. 9.30 Quote...
Unquote (S). 7.0 News. 7.05 The
Archers. 7.20 File on 4.8,00 Ubel (5).
8.45 Science Now. 9.30 Keleitoscope.
9.59 Westher. 10.00 The World Tonight. 10.30 Lines from my Grandfether's Forenaed. 71.90 A Book at
Beddime. 11.35 The Financial World
Tonight. 11.30 Today in Perfiquent.
12.00 News.

5.00 am As Radio 2 6.30 Rente Hours.

5.00 am As Radio 2 6.30 Rente Hours.

5.00 London Live. 72.03 pm Call in.

2.03 206 Showcasa., 4.03 Home Run.

2.03 206 Showcasa., 4.03 Home Run.

2.03 206 Showcasa., 4.03 Home Run.

2.05 206 Showcasa., 4.03 Home Run.

2.05 208 Showcasa., 4.03 Home Run.

2.05 208 Redio 2.

2.05 208 Question Time. 1.05 5.00

Join Radio 2. London Broadcasting 5.00 am Morning Music. 6.00 The AM Show: 10.00 Brier Heyes. 7.00-8.00 pm LBC Reports with George Gale at 3.00. 8.00 After Egipt. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio 6.00 am Brackfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roper Scott (S). 7.00 Landon Today (S). 7.20 Open Line (S). 9.00 Your Hother Wouldn't Like It (S). 11.00 Late Show (S). 2.00 am Night Flight (S).

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Explicit AND SRLIVAM'S
A good above. Very colourful, Rusty and occasionally well song. Spolety Jane.
The words. Jokes and Spolety Jane.
The words. Jokes and Spolety Jane.
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Monday to Toursday 8-10. Fif. and SE.
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2.55; 605, 915; MEAN BOG BLUES
CO. 1.10, 4.20, 7.30,
CLASSIC POLY, Oxford Crous, (Upper Region; 50) 637, 9863, 4869 Fonds, Varietza Redigrave JULIA (AV. 4.40, 8.50 Shiftly, Mackaine, Arme, Bancrofe; TIERN-ING POINT (A), 2.39, 8.40.

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pets Murrey's Open House (S) (cont. on VHF). 2.02 Wimbledon including 4.30 Waggoners' Wolk. 7.02 On the Third Best (S). 7.30 Sports Desk. 7.33 Folk 79 (S). 3.02 Nordring Festival 1978 (S). 3.02 Among Your Souvenirs (S). 3.05 Sports Desk. 10.02 Variety Club. 11.02 Brian Matthew with Round Midnight, including 12.0 Nows. 2.02-5.00 am You and the Night and the Music with Jan Leeming (S).

7.30 Centennial. 9.00 News. 9.55 Our Man in Lusaka. 10.45 Tonight.

9.25 Last of the Summer Wine. weamer/n

the following times:—
Scotland — 9.50 am Magic
Roundabout 9.55 Jackanory. 10.10 Don and Pete. 10.15 Desert Adventure. 10.40-11.00 Take Hart. 5.55-6.15 pm Reporting Scotland. 11.25 News and Weather for Scotland.

asset. - Wales 4.45-5.10 pm Lladron
5.40 News. - Donaw. 5.55 Wales Today. 6.15
5.55 Nationwide (London and Heddiw. 6.35 Join BBC-1 (Wim-

F.T. CROSSWORD PUZZLE No. 4,011 26

**ACROSS** 

1 Shot about everybody for a vegetable (7) 5 Detail soldiers to number (7) 9 Monarch who should have the measure? (5)

I've to follow (9) 11 Literary work just providing sustenance and gas-ring (3. 16 The French figure coming 12 Unfit in eastern exercises (5)

full of rushes (a) 15 Precious metal stick seen in 18 A cat one way or a scientist the garden (6-3) 18 Polar cat in cart possibly (9) 19 Put it back to young animal to unload (3, 2)

21 Ring a little sister in a fertile spot (5) 23 Act with internal anger before us and it could be 24 Threatening partially to be 25 Genuine direction in tins I

see (9) 26 To employ and dishevel (5) 27 Bird accepts pole from jailer 28 Light from the French northern sea-bird (7)

DOWN 1 Fiddler has to fight with hesitation (7) 2 All love men in race plot (9) 3 Slow but right in gaol upset

4 Follow window seen at back

5 Rambler gets right on top

of vehicle (4-5)

8 Dealt with note in measured pace (7) 14 Measure that could be a 9

get together (5)

to a point could be very brief (9) 13 Sound of a wind instrument 17 Make a copy of professional entering to slim (9):

> 20 Send eastern sailors to the back entrance (7) 22 Cobbler is to put us up on

23 Clean your head-it's dirty taken in (5)

Solution to Puzzle No. 4,010

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South-East only). 6.15 Wimbledon highlights.

11.50 Cartoon Time: 1.25 pm. Anglia News. 2.30 This Year, Hext Year. 3.25 The Royal Show. 6.00 About Anglia. 7.00 Festure Film: She," star-ring Ursula Andress. 11.30 Sidestreet bledon). 11.25 News and Weather Northern Ireland 4.18-4.20 pm Northern Ireland News. 5.55-6.15 Scene Around Six. 11.25 News Weather for Northern and W Ireland Sky," starring Kenneth More. 12.30 pm: The Entertainers (Tony Monopoly). 1.20 ATV Newadesk. 2.30 The Royal Show. 5.15 Definition. 6.00 ATV Today. 7.09 Emmerdate Farm. 7.30 Here Today, Here Tomorrow. 8.00 Benny Hill Down Under. 11.30 The Outsiders. East (Norwich); Look North

(Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

11.06 am Play School. 2.00 pm Wimbledon Tennis. 8.00 The Mid-evening News. 8.10 Brass Tacks. 9.25 The Mayor of Caster-

11.55 Fox Watch. LONDON 9.30 am Untamed Frontier.

News. 1.30 Crown Court. 2.00 The National Gallery. 2.30 Blue Skies From Now On. 3.25 The Love Boat. 4.20 Runaround. 4.45 Words

7.00 What's On Next? 7.30 Thundercloud.

11.00 Millennium.

11.30 Mixed Golf Foursome. 12.25 am Close: Personal choice by Kenneth Connor.
All IBA Regions as London ANGLIA

**Radio Wavelengths** 

2 693kHz/433m 4 200kHz/1500m 2 909kHz/330m 4 32-55Whf

1053kHz/285m 3 1215kHz/247m 1089kHz/275m 3 190-32,5vhj str

Landon Broadcasting: 1151kHz, 261m & 97.3vHz

6.55 am Westher. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 8.05 This West's Composer; Mendelssehn (S). 10.00 Back harpstchurd recital (S). 11.25 Britten and Searle 30rd racital (S). 12.15 nm Carde Medder

RADIO 3

(S) Stereophonic broadcast

3 Medium wave

5.00 am As Radio 2. 6.00 Dava Lee
Travis. 9.00 Simon Bates. 71.37 Paul
Burnett. 2.00 pm Tony Blackburn.

4.31 Paul Gambaccini. 7.00 Personal
Call. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00
am. As Radio 2.

VHF Radios 1 and 2—5.00 am With
Radio 2. 2.03 pm Pete Murray's Open
House (S) (cont. from Radio 2. 12.20
pm). 2.30 David Hamilton (S). 4.30
Waggoners' Walk. 4.45 John Dunn
(S). 7.00 With Radio 2. 10.00 With
Redio 1. 12.00-5.00 am With Radio 2. (S). 11.25 Britten and Searle song recital (S). 12.15 pm Cardili Midday Prom. part 1 (S). 1.2 news. 1.05 The Arts Worldwide. 1.20 Cardili Midday Prom. part 2 (S). 2.00 Ga West. Young Man, talks by Allstair Cooke (S). 2.40 in Partnership. 1.25 Music for Wind (S). 4.55 Jazz Today (S). 5.25 Homeward Bound (S). 5.25 Homeward Bound (S). 5.25 News. 5.50 Homeward Bound (S). 6.75 At Home (S). 7.30 French Life Music (S). 8.00 Muti Conducts Tchaikovsky, part 1 (S). 8.25 John Spatrow On. 8.55 Muth Conducts Tchaikovsky, part 2 (S). 9.50 Chinese Education Rewisited (talk by John Gardner). 10.20 Schubert Chamber music concert (S). 11.55 Bach Cantata (S). 11.55 12.00 News.

RADIO 4

6.00 News. Sriefing. 6.10 Femping Today. 6.25 Shipping forecast: 8.30 Today, Including 6.46 Prayer for the Day: 7.90, 8.06 Today's News. 7.30, 8.30 News. Rectifiness 7.49. Revise Tothe Day. 8.35 Yesterday in Parisiment. 8.00 News. 9.05 Tuesday Call. 70.00

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ÉASON.

## Still photos

by CHRIS DUNKLEY

The rarriy with which tele. Yet the series does seem to vision uses still photographs has be improving as it proceeds and always been surprising. How it does benefit greatly from ever often we are reshown MacDonald's powerful combinational newscools of other tion of cariosity and scepticism moving pictures (Chamberlaim His explanations of the rereturning from Munich Ban positioning of bodies on the nister ranning the four-minute battlefields of the American War inster. Taining the tour minute battlenedge of the American war indle) they never seem to of Independence for the sake acquire the imbact and memor of the cameras, and of Dr. ableness of the most powerful Bardand's re-creation (and still pictures. No newsreel even creation) of pathetic look-could replace the image of the long waits for the cameras were naked napakated child on viet healthly from classic and tacity name Highway I, the picture of the explicitly relevant to the the Queen smiling through the exploits of some of foday's less raindreps of the coronation scrupulous makers of television coach or the photograph of the documentaries. The sheer dead child in the policeman's wealth of researched material—arms at Aberfan. Yet television which is presumably just the generally ignores still photo tip of an iceberg—is almost graphs. Thus it is particularly worthy

of note that ITV is now raming (which was produced by Michael a 13-pare series on still photo- Dibb) John Berger, with all the

is produced by two of the best people in the business. Maxine. Baker whose work on visual archive material commands more respect than almost any-one's, and Gus MacDonald, former editor of World In Action who set out to make a series, about the history of documentary films and found he wirtually had to do still photography first

In view, of their reputations the series so far has been somewhat disappointing though not for any central reasons of approach or structure but because of niggling annoyances; the music is so odd, intrusive and didactic that it actually distracts from the pictures; no rule has been made about aways showing a picture in its entirety as the photographer intended it to be seen before allowing or telling the rostrum cameraman to impose a different view by picking out details, there is a suspicion that by taking the rôles of both producer and presenter MacDonald may have sacrificed some of the rigour and ruthlessness which he would normally be the first to expect from any factual series. Worst of all there is a feeling that much information is being with.

Near the start of Pig Earth

a 13-part series on still oboto. Dibb) Join Berger, with all the graphs, and that BBCI's marvellous incisiveness one "Omnibus" recently used stills remembers from Ways of Seeing, as the central visual element in went far towards explaining the John Berger's programme about potency of stills by remarking peasant life. Pig Earth. that when we look at a moving The series called Camera film we live in the period of about the early history of photo that film, but when we look at graphy comes from Granaga and a photograph, however recent, a photograph, however recent, we are looking at a moment from the past.
His programme sprang from

the premise that there will be a radical transformation of the world in the 1980s when, for the first time, inhabitants of cities will start to outnumber peasants. The programme, following his book of the same name, was Berger's response to his own question "What constitutes peasant experience?" with the pictures, taken, by Jean Mohr, complementing Berger's verbal answers.

And how wonderfuly clear those answers were! With deep sympathy but no false sentiment Berger talked about peasant feeling for the land, for animals, for climate, for words, for ideas. And never once did he even begin to sup into the jargon of sociology lecturers. Whether describing a goat of an intellectual construction his language was as clear and specific as Bertrand Russell's.

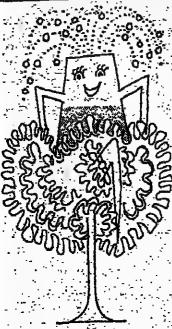
Pig Earth proved again that serger is one of the precious faw geniuses to have turned up on television, and someone should persuade him to work in the medium more often. The held; some pictures tantalls stills he presented com-ingly, are just not explained at municated a lot but his insight conveyed far more. 🛴



The Kodak Brownie that could be worked by man, woman or child? an early example of its use featured in Camera

#### Covent Garden

modest and sympathetic, discreet even on the rare occasions when he pulls out the stops. It



and fragrance of France.:

countries have, or think they have, smaller repertories than German speaking ones since with rare exceptions the field of German Lieder is closed to them. There remains what

German singers cannot always give—the unalloyed pleasure of hearing a beautiful instrument the voice.

Carreras sang some Handel fluently and three ariette of Bellini in a way that made one realise that they are not less than the lesser efforts of the great Germans. He sang arias from Bellini's I Capuletti e i Montecchi (more recognisable as Romeo and Juliet and from Rossini's La pietra del paragone. It was one up to him that he chose these and not more obvious pieces. He sang a group of Tosti, who combined a gift inherited from the age of bel canto (he was a pupil of Mercadante) artfully presented in a mixture of Neapolitan popular and Edwardian drawing-room style—when they are done as well as this they are not to be

fying demand for the things themselves. The awkward fact that such practical supporters are likely to be either institutional or foreign, and probably both, is not for the moment the point: it is enough to say that though official thanks are less than grudging, and no artist yet has won the Queen's Award for Industry, foreign exchange is always useful to the economy.

connection with Caulfields, for no better reason than that he is, showing at the moment (at Waddingon Galleries until July 28), that his career, along with those of his peers, demonstrates that there never was, and is not now. a general threat to representational painting. Two decades that in this country alone have seen him active, and Lucian Freud, Frank Auerbach, R. B. Kitaj, David Hockney, Francis Bacon, Peter Blake, Allen Jones and Michael Andrews, can hardly be said to constitute a period of crisis: difficult at times, perhaps, but never exactly desperate. Many names may be added to the list, all of them producing work that not even the most myopic philistine could consider incomprehensible or even problematical. The lack of general public acknowledge-

ment of our visual artists is

neither critical nor official but

a social problem.

In itself, however, Caulfield's work does show signs of a problem or two, and these relate to the kind of artist he is, the pattern of his career and the nature of his first reputation. Above all else he is and ever has been a stylist, and indeed at heart the problem would seem to be that even now, nearly 20 years on, he is still the prisoner of the stylistic coup by which he first surprised us. For the stylist, whoever he is, all too soon after that first imaginative demonstration, be-comes stuck with his style, which is to say the selection and

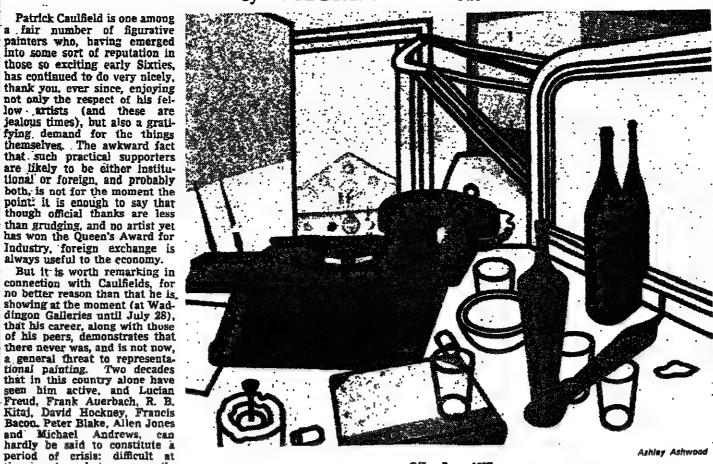
manipulation of particular material. And eventually, though the variations might be infinite, individually they soon begin to pall. What should the artist do? . He may change the scale on which he works, mani-pulate colour and tone, fiddle with the composition; or at

Rome exhibition

**Waddington Galleries** 

## Patrick Caulfield and others

by WILLIAM PACKER



Office Party 1977

judgments, his images remain to the trompe-l'oeil illusion. with us long after that first evidently based on photographic shudder of awful recall has pastererences and deployed as it sed, dignified and even beauti- were a collage element in the remarkable, and not in any

this most recent work that of Magritte and de Chirico. It slowly, very slowly, he is brace is good to see an artist of ing himself to try something Patrick Caulfield's calibre and new at last. Only the big toe potential inching his way clear is in the water yet, but the thought is there.

And so these are transitional ing all the marks of the familiar to happen. The imagery itself

elements in the work itself, sense of social comment but both in terms of technique simply as Art.

But, the point made, there is simple subject that now fixes small virtue in endless repetitive attention: and with it tion, even for an artist of creeps in a truly surrealistic Caulfield's delicacy and refine- frisson that is close in spirit ment; and it does seem from to the metaphysical ambiguities of the ropes at last.

Complementing this And so these are transitional iriguing show, in the gallery paintings, unsurprising, carry next door and for no better reason than that Leslie Wadhand, the simple, confident dington had the work availblack line, fiat pattern against able, is an admirable selection flat colour, and all describing of drawings from the figure, the ordinary impedimenta of and imaginative projects upon daily life in office or kitchen; it by Henry Moore, covering but several things have begun some 30 years from the late 'twenties to the late 'fifties. last he might even bring himself to try something new.

The English Concert Orchestra beinding the line unduly. The Barents crew, seeking a Northcrowding up in certain cases to most effective economy that
who appeared with them are a baritone Roderick Earle was a East Passage, when their ship
the night even bring himis now denser and more complex. And they demonstrate with a
the English Concert Orchestra beinding the line unduly. The
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conside The little contemporary icon bas served Caulfield well for iyears, the shave ir ashetral formica-furnished Benildorm, the formica-furnished of the picture o cafe and the Indian restaurant selves are, with one exception, those shown here are not even with it astonishing wall-paper smaller than we might have among his very best, and yet and blown-up colour photograph expected, and rather awkward, they are still remarkable. One

infinite repetition.

of Lake Lucerne. Cool, dispassionate and ironical, simplified field has continued the move from the back with arms outwith elegance and the nicest of he made with his last show back stretched, dating from 1927, independent his images remain to the tropped ceil illusion. would have demanded a visit shown quite alone. Only by and baritone soloist—are sub- magisterial authority and the drawing the figure repeatedly, stantial enough to deter many LSO chorus men growled well.) ful. Treated with the reverence design, and a selective interest in unselfconscious and obsessive, performers, so it was a bold accorded the ancient utensil in the quality of the paint itself, can the artist come to terms its glass case, the unregarded Thus it is now the natural with it and use it, a self-evident domestic object too becomes incongruity between the truth which we have been inclined to ignore in recent years, to the creative impoverishment of an otherwise talented generation. These early drawings, so unaffectedly practical, so emphatically sculp-tural in their preoccupation, are an object lesson that bears of linked slow movements. Previn and the LSO by far

Festival Hall

## Babi Yar

NICHOLAS KENYON

sounds better in the form of a chills the soul. works. There is no more powerful and bitter work among this small group than Shostako-vich's Thirteenth Symphony, which sets texts by the Soviet poet Yevtushenko.

Shostakovich maintained (and Yevtushenko maintains) an uneasy relationship with the Soviet Government: Krushchev criticised this symphony even setting, before it had been performed, The the poems were not printed in the programme at the premiere, in December 1962, a subsequent performance was discreetly cancelled, and only a couple more hearings have been provided in Russia. Yet poet and composer the LSO (which is not over: did consent to a tiny change, when Abbado takes over in the which removed from Soviet autumn, Previn will be Conofficialdom the general accusa-tion of anti-semitism in "Babi means); but it must be said - capitulation, or a harmless gesture to ensure the work's survival? Either way, Shostakovich's grand enlarge-of the poet's miniatures has not really gained their grim accusations a wider circulation in the West.

For the Symphony's forceslarge orchestra, male chorus Macheth of Miseusk-sang with and imaginative choice of work allusion to symphonic move- into a grey shadow over a ments and form-a desperately muddy pond. Probably only a These latter are the work's most better things.

The full resources of the sym-phony orchestra are more con-Store 'in particular conjures incingly marshalled in the up a bleakness and desolation support of the State than in narrative of work-weary Russian criticism of it. Patriotism women queuing for food which

massive tutti than does protest. Elsewhere, Shostakovich's Yet in this century there have been some attempts to criticise sometimes too merely exciting established régimes in both for the good of the texts, and East and West through the one feels only unease at the medium of large-scale musical lavishness of the means for the seriousness of the ends. The first section, "Babi Yar," which has given the symphony its title, is unrelentingly depressing (the text has more to it than this, I think); and the last "A Career" fits oddly onto the whole, its meditation on the creative life is too personal to sit comfortably in its new

> The cynical might have applied the final words about successful careers to the evening's conductor. Here is not the place for an assessment of Previn's long and in some ways highly successful period with that he controlled the vast bulk of this Shostakovich Symphony with a firm, easy communication, clear in its content; he was never at a loss for the telling. effective gesture. (Dimiter Petkov, the bass—who can also be heard on the new Shostakovich opera recording. Lady On the other hand, the orches-

tra did not play with any special with which to conclude Andre distinction; and before the in-Previn's tenure of the LSO Prin- terval they gave an account of cipal Conductorship. More a the Debussy Images which was cantata than a symphony, the utterly flat and lifeless; a glitterwork only manages passing ing play of light on water turned

#### Elizabeth Hall

#### London Chorale by DAVID MURRAY

Everything in the London impeccable—always unburried Inspired by a chapter of the Chorale concert on Saturday but never sentimentally drawn 1625 "Hakluytus Postumus or

calm, long-lined legato with discreet dramatic urgency in the rare passages which imply it. David Bedford's Of Bearcs.

Mr. Wales' tempi seemed to me Foxes and many many Wonders.

material is coherent, though unmaterial is coherent, and the dramatic concept of the premiers of the premiers

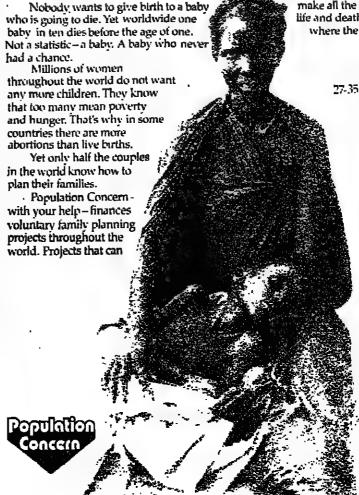
fying the composer's later, soprano was well found in the the choral narration is robustly richer scoring (the original added to the basic organ only harp, solo violin and three trombones).

The Chorale made no attempt solve the composer's later, soprano was well found in the the choral narration is robustly in the manner of Belshazzar's feast. If the trick of floating programme-description of the a Renaissance sound-vision requirem as Faurt's "supreme (here a Praetorius hymn) over

was admirably prepared, and out—and he knew how to touch windingly rendered under Roy Wales' direction. I assume that supprises in the score without winter spent by William the English Connect Conhester bending the line underly the Personnel Specific and Specific Connect Conhester by William Royaling the line underly the line u and plangent. They were no broached the limits of the essenfrom his modest forces (besides less poised in Fauré's Requirm tial Fauré pudeur. In lieu of a strings, only woodwind trio, than in the Mendelssohn, justi-boy treble, Glilian Fisher's clear trumpet and percussion). and

The Chorale made no attempt to produce a French timbre in the Requiem, but they struck exactly the India Combination of music and his grandest chamber absent sun. Bedford's thematic material is coherent, though un-

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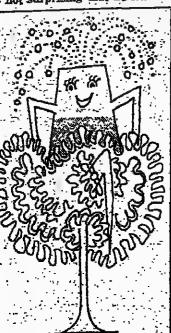
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## José Carreras by RONALD CRICHTON

is not surprising that he should



Heidsieck Dry Monopole The Champagne with all the sparkle Shipped by Bouchard Aine

Carreis is one of the top have drawn a large, appreciative erratic French (many Spanish opera singers of the day and andience on Sunday night for one of the best—a lytic tenor his first recital at Covent with a voice of great natural Garden.

beauty well schooled not large what else is there to say? but perfectly well able to protectly well able to protectly concerts do not ject in a large house. His differ greatly from one another, platform presence is engaging. Singers from Southern Latin modest and sympathetic, discountries have or think they ofher way around. He finished (encores apart) with some Spanish trifles by Obradors which might have seemed less

California.

A decent programme as they deployed in music that may go. By the end of it the singer have little other recommenda had earned the right to give his tion than being well written for fans what they wanted and accordingly obliged with "Core 'ngrato," some Puccini, and so on. There are signs that Carreras intends to move to a heavier repertory-good luck to him. but he should not forget that -good lyric tenors are every bit

the accompaniments.

trifling if the pianist Eduardo

Müller had given more body to

Sabbatical for Stuart Burge

as rare and precious as the

heroic kind.

As from August 1 Stuart for unfailingly singable lines Burge will take sabbatical leave from the Royal Court Theatre and will direct D. H. Lawrence's Sons and Lovers for ATV in a version-for television by Trevor Griffiths.

In his absence Max Stafforddespised.

He sang some early Faure in director.

In the years immediately after the Second World War there documented in a fascinating the explosion of Italian films at were so many American film stars, directors, producers, and hangers on in Rome that the Rome Daily American ran a regular gossip column entitled "Hollywood on the Tiber." Then Italian Inflation became prohibitive, Italian Iabour— including extras — became organised (and exorbitant); and some extent non-Italian, cinema, American productions moved on You enter the building, pay ducers behind them. the modest admission fee (L500), and follow the arrow to ticular interest, dem to Spain, to Yugoslavia, and finally back to Hollywood,

The City of Cinema

by WILLIAM WEAVER

the left, where you are imme-diately arrested by a small screen, playing excerpts from the very earliest silent films made in Rome: a spectacular Ben Hur; a film starring Maciste, the first muscle-man hero; Francesca Bartini, super-vamp. driving some poor man insane. A whole room is devoted to La canzone dell'amore, produced by S. A. Pittaluga in 1930. This was Italy's first feature-length sound film. Before its public opening, on October 8, 1930. It has been seen privately by the Duce, who had "expressed his lively satisfaction," according to the papers. The Rome showing was preceded, at the Supercinema, by Italy's Royal March and the Fascist anthem "Giovinezza" played on a sound-track and received by "loud and prolonged applause."

The review of the occasion in the Messaggero concluded: The victory was such . . . as to allow one to predict that the Cines (producers) tomorrow. will be able to fill the vast cinema field with many works of art."

Not all the films made in the 1930s and early 1940s were works of art, but many of them were artistic, and the Rome show attaches due importance to the activity of art directors at that time, architects like Guido Fiorini, Antonio Valente (who designed the buildings and the interiors of Cinecittà, Rome's Government - sponsored studio). and the Futurist Virgilio Marchi. Marchi's most important film was probably La corona di ferro (The iron crown), a fable for this film are on display. Clark will take over as artistic and so are some of the ingenious artefacts he conceived.

That brief, glittering period is Colourful posters illustrate exhibition currently installed in the end of the war, including Rome's vast Palazzo edlle the splendid comedy Un ameri-Esposizioni in Via Nazionale. cano a Roma (An American in Covering the entire ground floor Rome), starring the young of the building, the show— called "La città del cinema" (The city of Cinema)—illustrates the rôle played by Rome (The city of Cinema)—illustrates the rôle played by Rome (The city of Cinema)—illustrates the rôle played by Rome (The city of Cinema)—illustrates the rôle played by Rome (The city of Cinema)—illustrates the rôle played by Rome (The city of Cinema)—illustrates (The city of Cinema)—i in the history of Italian, and to Lattuada, Visconti, Fellini-and to the often adventurous pro-

The Viscouti section is of particular interest, demonstrating his difficult start, under the restrictions of the Fascist regime. His project for a film based on Elio Vittorini's Comini e no was rejected. He also tried Billy Budd, and Pavolini, the Fascist Minister of Culture. wrote, in a private report : " Melville is one of those writers who are considered 'classics. but he's an American all the same. . . " This project was also turned down, and there was considerable opposition also to the planned Palude (Swamp). which Visconti finally was allowed to make; it was the film later called Ossessione, and the show some rare photographs of the shooting of the film. Rooms filled with mannekins

indicate the ingenuity and skill of costume designers, from prewar films like Waterloo to Piero Tosi's (and Visconti's) Ludwig. There are rooms showing paste jewellery, wigs, shoes (lots of Roman boots, probably from Cleopatra). A life-size saloon commemorates the heyday of the spaghetti Western. And there is a splendid "mytho-logical" section, a kind of underground temple, with gong, braziers, and other elaborate decoration. Here, too, a screen show bits of film. As I came past, a young lady on a burnished throne was saying to a young man dressed only in breech-clout and olive oil: "You have no idea of the plague that has struck my kingdom." His blank look confirmed her statement.

Film music accompanies the visitor, who at one point hears directed by Alessandro Blasetti also a sound-track of famous in 1940. The architect's designs one-liners from "comedles one-liners from "comedies— Italian style." The show is compendious, Instructive, amusing, and steeped in nostalgia.

### FINANCIALTIMES

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Tuesday July 3 1979

## The sterling dilemma

line the growing urgency of the potential flows: the flow of curnew sterling problem—the exrency to finance direct investcessive strength of the currency. ment abroad by UK companies; The monthly report on the the financing of foreign trade by economic situation published UK financial institutions; and by the Confederation of British portfolio investment. Industry showed a sharp increase in worries about future direct investments up to £5m competitiveness; in spite of are fully liberalised. It is competitiveness; in spite of buoyant order books for home and export delivery at the moment, industrialists are now fearing the kind of obstinate recession foreseen by the ties should be forced to borrow reasury and many independent forecesters. At the same time the rise in sterling accelerated again, to bring its rise since the Budget to 4 per cent.

#### Temporary

The basic causes of this performance are three. At bottom, the rising comparative advantage of possessing North Sea oil would make sterling strong under any likely circumstances Within limits this result, which results in improved terms of trade and lower inflation, is part of our good fortune, though industries exposed to especially severe competition may find it unstable and destabilising, hard to see it in this way. In Slightly bigger risks might be addition, the need-it is to be involved in abolishing portfolio hoped that it is a strictly nominal interest rates greatly in not doing so. The Govern-increases the attraction of ment professes the right prinsterling for foreign investors. However, in one respect the damage to British competitive-

ness 7s a purely self-inflicted We have listed two factors attracting foreign nariv temporary. These could he halanced, in part at least, by stflows of British capital, Jeavthe exchange rate stable.

In fact, of course, such inare still strongly inhibited tervention rols left over on the are of starling's nertwont weakness. It is said and reneining that a government drainedly believing in market forces should be moving so corriously in dismantling these out-dated defences. It is now and lasting damage to the British productive economy. The history of higher North Sea revenues, all the maint fluctuations since should ease market conditions riffereies were generally floated and the demand for foreign forces tend to produce excest measure to relieve immediate an envilibrium is found; policy damage to UK trade is the one should be nimed to damp down the Chancellor has so far the flucturtion now taking place, hesitated to take: dismantle

The main controls affect three

Since the Budget absurd in present circumstances that any British company which may wish to use its UK cash baiances to finance foreign activimoney abroad for the purpose
though companies may well
decide to do so for prudential reasons. It is absurd also that only merchants have been allowed to resume the tradefinancing activities which had to be suspended during the sterling emergency of 1976. It is apparently feared in Whitehall that flows may be "unstable."

The mere fact that sterling's movement is consistently up-wards does not mean that an appreciation of over 1 per cent a month is anything other than controls; but they still appear need - for high smaller than the risks involved ciples; it should act on them.

It must be admitted that there is no guarantee that in present circumsances even a full liberalisaion of capital movements would take the pressure off sterling; but at least it could then be said that the pressure reflected market forces rather than an administrative con-trivance. Only then could it be judged rationally if the very doubtful case for opposing market forces by currency in-tervention should be reexamined.

Experience suggests that intervention matched by extra funding—as is necessary to preserve menetary controllittle effect on exchange rates; but intervention in the forward markets might be more affective. becoming clear that the delay In the longer run, reduced public sector demand for credit, through spending cuts and 1971 suggests that merket capital. But the one quick

## A challenge for the Post Office

JUST AS the Post Office was also account for the huge revealing yesterday that the demand for overtime in some millions of unsorted letters areas. that have accumulated over the rest month of postal disruption these agreements and rewarded are at last being cleared, Sir their leaders with a censure Keith Joseph was announcing motion, for "bringing the union Keith Joseph was announcing in narils ment an urgent investigation into the possibility of
abolishing the postal monopoly.

Although opposition MPs
case the Post Office's only expected Sir Keith's announce-ment to "enrage postal ment to "enrage postal workers" he was right to workers" he was right to This would produce immeuse mount his investigation, even disruption and probable defeat if the current difficulties are for the postmen, as it did under ner resolution. Sir Keith is urlikely to come up with any real alternative to a postal But there is another, more service run broadly as a hopeful, possibility. The UPW ronnopoly by the public sector. executive has said publicly that But his investigation will be walliable if it brings into the onen same of the serious additionals of the posts service. the ignet practices in it and the desired style of management 

#### Poor service

An analysis of the causes of the postal service's poor perand management, with the minimum of government interrence, edge towards a solution. That productivity needs to be improved is admitted by all sides—even by the UPW's leaders. After all, their own members are the main victims. through low wages, exceptionally long hours and a six-day basic week, of the Post Office's inefficient work practices. But productivity can be increased either by cutting manpower and maintaining existing services or y improving services with existing manpower. Could the Post Office management secure its workers' backing if it com-

in January this year the number of important productivity proposals which could revival of the postal service, be prepared to make genuine limited extent, such issues as expansion of services or on the the employment of part-time 6-day week in return. This staff during the summer, the summer must see the first step gradual introduction of work along the road to better working diversion of mail between sort- quagmire of low productivity, ing offices to prevent the log-poor service and low wages in tams which cause many of the which the Post Office is now service's frequent delays and stuck.

In May the men repudiated option will be eventually to take them on in a protracted fight. the Heath Government and in Ireland this year.

the productivity conditions that firms to move (out of cities, or were attached to the January pay agreement were "little more than window dressing" Morris, an economist who is the for the benefit of the governwere attached to the January pay agreement were "little for the benefit of the government's pay watchdogs, who were at that time still active. has for years stressed were at that time still active. genuine productivity improvements and offer genuine increases in real wages. Of course the pay increase must not absorb all the benefits of a productivity improvement, but there is no point in pretending that productivity can be bought with purely nominal pay in-creases which only just keep up with inflation.

#### Quagmire

The moderates in the UPW may still be interested in raising productivity, in exchange for better wages and working conditions. This year's round of negotiations between the UPW and the Post Office is not yet complete, since the workers are now coming back to management with a demand for a topup to raise their pay increase to the level of 15 to 17 per mitted itself to the latter cent won by most telecom-

The Post Office must now ("PW's leadership agreed to a insist on the reinstatement of some at least of the productivity clauses originally accepted by have laid the foundation for a the UPW leadership and it must The agreement covered, to a concessions on pay, on the measurement and the occasional practices, leading away from the

### Eastern bloc energy under pressure

KEY factor in the world energy equation was conspicuous by its absence at both last week's energy summits in Geneva and Tokyo.

That factor was the Soviet Union-the world's largest producer of oil and coal and fast catching up with the United States in the production of

natural gas. But Comecon also faces an

energy squeeze in the 1980s and conecon's own energy summit in Moscow last week drew roughly the same conclusions as the West about the need to push ahead at full speed with an accelerated nuclear energy programme and an oil and gas conservation programme. Annual Soviet oil output is

currently in excess of 11m barrels daily—as against 81m for Saudi Arabia. Some 3m barrels of this total is exported, split roughly 55/45 between Comecon and western or hard currency markets. This year the Soviet energy industry is scheduled to produce 593m tons of oil, 404bn cubic metres of gas and over 750m tons of coal-plus hydro- and nucleargenerated electricity.

In spite of this vast output, however, the Soviet Union will not be able to satisfy its own growing energy needs plus those of its Comecon partners in the 1980s and still maintain a margin for export to the hard currency areas which is vital if it is to earn the foreign exchange required to import the sophisticated oil and gas equipment it needs from the West.

Taken together, the prospect of a) increasing East European demand for OPEC oil, b) Soviet demand for western oil and gas equipment and c) East-West co-operation in the development of Soviet energy resources, seems certain to ensure that in future the Soviet factor will impinge with ever-increasing weight in global energy

#### Note of urgency

As far as Western Europe in particular is concerned, the potential for East-West cooperation in energy matters looks like injecting a new note of urgency into the hitherto desultory negotiations for closer co-operation between Comecon and the Common Market. Significantly, last week's Comecon energy summit closed with the request for an urgent meeting with the Common Market authorities to try to speed up

the pace of negotiations. Although the Soviet Union is not a member of OPEC it has consistently supported OPEC demands for higher energy prices and has indeed been a major beneficiary of them.

nor its Comecon partners have come unscathed through the Iranian troubles which conprice rise. Closure of the are enormous. IGAT I gas pipeline between Furthermore Soviet trans caucasian republics caused. Georgia, Azerbaijan and other eastward, so the need for more southern republics to freeze last winter. Possible Iranian abandonment of the complex gas switch operation under which to develop sophisticated Iranian gas was to be piped to methods and equipment up to the Soviet Union through the proposed IGAT II pipeline, while Soviet gas was piped to Western Europe, is another major headache. Cutbacks in Iranian oil shipments have also badly hit the oil import plans of Romania, Czechoslovakia and other Comecon countries, which into a new dimension. Indeed,

# The looming .... Soviet factor in the world oil equation

BY ANTHONY ROBINSON, EAST EUROPE CORRESPONDENT

result of Soviet reluctance to increase Soviet oil sales to them in the 1980s.

The Soviet Union currently exports around 80m tons annually to its Comecon partners but has made clear that in future only gas and electricity supplies will be guaranteed to rise in quantity. The Soviets clearly want to retain their capacity to export oil and gas to hard currency markets. Last year these exports fell by an estimated 18 per cent.

But oil and gas exports account for nearly 50 per cent of total Soviet hard currency export receipts. Last year hard currency oil exports alone were worth 3.57bn roubles, around \$5.5bn. Soviet sales on the spot market and higher gas and oll export prices could push the figure up substantially this year -provided it has the oil to export. But output in the first five months of this year was between 5m and 7m tons below target while deliveries to Comecon were higher-

Over the last decade the annual rate of increase in oil production has been halved from per cent to around 4 per cent. This reflects the fact that production from the relatively shallow and accessible oil fields in the Caspian and Urals-Volga regions has been steadily declining while the bulk of new production and reserves are in the inhospitable Siberian wastes or the deserts of Khazakstan. These are thousands of miles from the industrialised west of the Soviet Union and its main export outlets.

According to Soviet estimates, 45 per cent of world gas reserves, 57 per cent of world coal reserves and probably a third if not more of world oil reserves belong to the Soviet Union, but 80 per cent of these resources are locked away in the eastern or northern part of this But neither the Soviet Union vast country while 80 per cent of energy demand comes from the relatively urbanised and industrialised western regions. tributed to the current OPEC The logistical problems alone

> Furthermore, as the geoand gas industry has shifted sophisticated exploration, drilling and production methods has increased. There was little need develop sophisticated the end of the 1960s, as the bulk of Soviet oil had been coming from relatively shallow wells in accessible parts of the country. Tackling the problems of denth, distance, extreme cold in winter and boggy tundra in summer has taken the industry

are being forced to diversify a high proportion of the hard their oil import sources as a currency earned by oil and gas sales has had to be ploughed back into the import of a vast range of oil and gas-related plant and equipment.

Recent western studies esti-mate that the Soviet market for offshore equipment alone is likely to reach some \$24bn over the next decade. This reflects the fact that future exploration and development is likely to concentrate on drilling at greater depths in areas like the Caspian and other older production areas and development of both on- and off-shore deposits in north and north east Siberia, Barents Sea and Sakhalin Island.

Similar problems face development of the coal industry. The Soviet Union's main hopes for boosting coal output to around 1bn tons annually by the 1990s depends on the development of the virtually limitless open-cast deposits of central Kansk-Achinsk Siberia and Ekibasiuz Khazakstan, Transporting coal by rail to the industrialised West would consume almost as much energy as contained in the wagons

Instead, five huge 4,000 mw power stations will be built on the site of the open-cast mines at Ekibastuz and the bulk of the 20,000 mw which will be generated there by the turn of the century will be transported 2.500 kilometres by a special 1.500 kv line—provided exten-sive research into high voltage lines makes this a feesible proposition. A similar power line planned for Kansk-Achinsk, where coal-based power stations generating no less than 100,000 mw will make it the Soviet Union's main electricity generating centre in the next century. Already half of Soviet coal output is used to generate electricity and this will rise to 75 per cent when the two schemes are completed.

## Limiting oil

and nuclear sources for tricity generation is one of the principal lines of Soviet energy strategy. The aim is to limit oil and gas usage to transport. industrial processing and as a chemical industry feedstock.

It is a strategy which extends to Comecon as a whole. In the course of the current five-year plan, which ends next year, the Soviet Union originally committed itself to supplying some 360m tons of oil to its East European allies. It now looks like supplying around 380m tons. although most of the abovetrial goods.

Soviet Linion itself have led to serious problems for Eastern Europe, Since 1975 the Soviet Union has been charging its. East European partners at a vengeance this year when preceding five years.

have been on average some 25. traditional Marxist economic per cent below world market theories and a new-found faith prices. Much of this apparent in the price mechanism. Union, such prices up to now. advantage has, however, been whittled away by Soviet insistence that East European countries help finance and build major energy projects such as the Orenburg gas pipeline. This 2.750 - kilometre - long pipelins from the foot of the Urals has been completed shead of schedule and is now reportedly capable of transporting 45bn cubic metres annually of which 15.5bn cm is supplied to the East European countries which participated in its construction.

Recent Soviet hydro-carbon discoveries have turned up far larger quantities of gas than off. This has obliged the Soviets to take a tough line with their Comecon partners on future oil These deliveries will make up the bulk of the 20 per cent total increase in Soviet energy exshort of energy and increasingly reliant on OPEC oil in of the plant and equipment, plans. and gas

using highly energy intensive meanwhile it is becoming inprocesses, before the power creasingly clear that exploiting stations can actually be built the full potential of Soviet oil.

> firmly in the hands of the Soviet and its Comecon allies alone. Czechoslovakia and East Ger- joint ventures stretching well many are playing a major role plans to construct a series of finance and technology in return electricity through the Come- long-term basis. con power grid, which is also being extended and modernised. At the same time, Comecon

quota oil is being delivered countries are stepping up develagainst payment in hard curopment of their own extensive
rency or the equivalent in coal, lignite and other energy export quality food or indus- sources and swingeing increases in petrol and other oil prices The higher international oil are the precursors of a more prices which have benefited the fundamental revision of the dance of payments of the energy price structure aimed at increasing fuel efficiency and conservation.

Significantly, the energy crisis -which struck home with a rate based on the average inter- harsh winter underlined the national price of oil over the precariousness of energy supplies and led to widespread According to the Soviet power cuts—is a major factor behind the replacement

#### Problem of subsidies ...

Hitherto subsidised domestic light and heating, and slow adjustment to the realities of international energy price levels, have slowed down efforts to use energy more efficiently. Growing vehicle ownership and relatively rapid economic growth have also kept energy demand rising by between 4 and, 8 per cent annually. In some ways the Communist bloc has been an efficient user of energy—the widespread use of power station waste heat for domestic central heating and greenhouses deliveries, only partially sweet-ened by the willingness to sup-ply more gas and electricity are but two examples. But little attention has been paid to insulation and the scope for conservation is very large, as in the ports to Comecon over the next West. The rate of economic five year plan. But plans to growth throughout Comecon create 150m kW of extra gene- has also slowed markedly over rating capacity by 1990, largely the last two years in particular through expansion of nuclear and could well decelerate power, will still leave Comecon further over the next five years. during which time improving the energy supply and a concenthe intervening period. The tration on improving quality-nuclear plan will also squeeze and efficiency, rather than the East European economies, growth per se, will be the hall-as they will have to supply much mark of the various national

Nuclear power station design materials beyond and fuel enrichment remains resources of the Soviet Union Union but all countries are Hence the Soviet interest in being encouraged to specialise trying to involve Westernin manufacturing components, including Japanese firms, in into the 21st century and involvin this. The Soviet Union also ing vast amounts of Western nuclear power stations near its for assured energy and raw western border and will export material supplies on a similar The Soviets firmly believe

that, as the energy crisis deepens and energy prices con-

timue their inexorable rise, the attractiveness of such schemes is bound to increase. Against this argument, however, higher energy prices will also make the development in of hitherto uneconomic Western energy projects more viable. But West Germany's reported

interest in importing Soviet nuclear-generated electricity in exchange for participation in the Soviet miclear programme is an interesting indicator of what is likely to be growing West European interest in energy co-operation.

Clearly, political as well as economic factors will play a economic factors will play a major part in the willingness of western firms to participate in such long-term projects. Japan, with its geographical proximity, paucity of energy and raw materials—and technological prowess, is in many ways the most logical partner for joint ventures in Siberia.

But the signature last year of the Sino-Japanese Peace Treaty, Soviet refusal to give back the Kuriles Islands and the new economic opportunities emerging in China itself have placed a question mark over future

The latest round of the energy crisis could well lead to a 18-appraisal. Japan recently agreed further finance for of exploration off Sakhalin island. But joint U.S. Soviet Japanese development of the vast South Yakutia gas deposits is still bogged down in complex negotiations even though deposits of 1,000hn cubic metres required for the deal to go through have

now been proven.

This 34bn, 25-year project is typical of the kind of deal the Soviet Union wants to get off the ground in the next decade. The potential scope for future East-West co-operation in energy matters is clearly

enormous, but so are easis and ricks. The American adminis tration, for its part, has now come round to the view that the development of Soviet energy resources is vital if the world energy shortage is to be kept within reasonable lilmts. This marks a reversel of original Soviet Union to modify its stance on dissidents and other contentious foreign policy issues by withholding export permits for energy-related exports, including an entire 3144m drill plant. A major influence behind this.

decision was the pessimistic CIA report published two years \$50 which saw the Soviet Union and its allies becoming a net importer of oil by the mid-1980's. If that happens it could make the present scramble for oil look tame by comparison.

## **MATTERS**

#### Lobbing a chip into the office

The axe over the heads of the Quangos is rumoured to be swinging near the ears of the Location of Offices Bureau. This month the LOB will bring out its report, announcing that it spent £370,000 last year.

It will also give details of a project going to the very heart of LOB's role in encouraging is launched on a study of how micro-electronics will affect the need for office space in the next

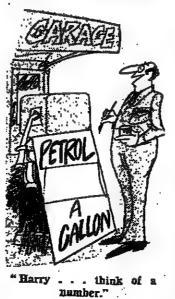
This is a topic from which most people involved with "chips" shy hurriedly away, Optimists point out that in places like Houston, where the silicon revolution began, more offices are being built than ever many of the office towers put. up since the 1950s will one day be empty, echoing monuments. vestigation will not be complete national gallery is putting up until next year; by which time the £250,000 that Miles asked a desirable set of offices in for them. Chancery Lane may have come Roy Mil

#### Showing off

on to the market—its own.

There are parties and there are art world parties. Most galleries hope to sell a high percentage of pictures on offer at special preview exhibitions, so there is a tradition of loosening the film worth of paintings—paid. cheque books with drink. In for by himself and friends after James', a 40-year-old ex-Liver- enable him to relax a little. pool hairdresser.

tion of Victorian paintings there British paintings, but not a This morning there will be an was caviar and champagne, collector himself: "I like to get emotional ceremony in a dilapivodka and smoked salmon, huge away from business in my iced carvings of Victoria and house, and besides it is so often



before. Pessimists claim that Arts, on hand to ensure that the finest paintings, a quartet of the Seasons by Burne-Jones, should not leave the country. He was I gather that the LOB's in. lucky. An-as yet-anonymous

> Roy Miles is a great believer in publicity and tried to cash in their own.) on the oil boom by taking British sporting pictures around the Middle East. The Islamic world is not too keen on images, but there were a few buyers in Kuwait, and Miles got "A" for Enterprise.

He sees his current show as the epitome of his career. Over the Mayfair galleries the spread unhappy experiences with banks can reach epicurean propor- -have been garnered from all tions, but few compare with over the world and already those of Roy Miles of St. there is £500,000 in revenue to

He sees himself as something To launch his summer exhibi- of a patriot, concentrating on Albert—and like the cherry on let to friends, he says. His de Miranda, will be returning to the cake, the Minister for the survival in the cut-throat world London in honour. Ambassadors

of fine art, and his indepen- of the Latin American States dence of the banks, has earned will pay tribute to Venezuela's him some respect from the old hands. He is also unusual the buying most of his stock from private sources. "It is so easy to get carried away at auctions,"

The old revolutionary with only be present in spirit, of course. It was in 1810 that Miranda and Simon Bolivar plot-

#### Pets on the menu

By now perhaps a little dogeared, there is somewhere in the desk of Peter Walker, the new Secretary for Agriculture, a letter addressed to his predecessor John Silkin on the subject of rabbits. It emanates from . Cheltenham, home of Peter Horne, general secretary of the Commercial Rabbit Association who is much exercised about the vast quantities of Chinese rabbit meat coming on to the British market, undercutting the true blue

The CRA says the difference in price is 16p a pound—the Chinese selling at cost price in order to collect much-needed foreign currency—and that hard-pressed British breeders are being forced to sell their far superior" wares abroad. (The British get through 9,000 tons of Chinese rabbit a year. and well under 2,000 tons of

"We'll be taking it up with the new lot," says Horne, but he sounded a little despondent about persuading the British housewife to see rabbits of any nationality in a more carnivorous light. The myxomatosis outbreak of five years ago put many potential rabbit eaters permanently off the idea, even though it affected only the wild

"Watership Down has had an even worse effect," Horne added First things first gloomily.

**Emotion at Euston** dated house near Euston Sta-The liberator, Francisco de Miranda, will be returning to

national hero, as the "Casa de Miranda" is inaugurated,

ted in the house at 58 Grafton Way. But Juan Sucre Trias, Venezuelan ambassador in London, is determined that Miranda's name will never again be forgotten in the capital that

gave him refuge.
Sucre-Trias identified the Grafton Way house and has spent several years buying it and four houses on either side.
An undisclosed—but certainly massive sum-will be spent to create a Latin American cul-tural and political centre. The ceremony today will be

conducted by the President of Colombia, Dr. Julio Turbay-Ayala, who is currently on a trip to Europe. A bust of Miranda will survey the gathering of 20 Ambassadors and sundry notables, including Nicholas Ridley, Minister of State at the Fereign and Commonwealth Office. Perhaps democracy has not

flourished in Latin America quite as was envisaged by the flamboyant Miranda—who fought in the American War of Independence, the French Revolution and in Venezuela, then died in chains as a captive of the Spaniards. But he would doubtless approve of one vacant place at this morning's function the representative of Nicaragna has not been invited: "We thought it might be embarrassing," explained an official at the Venezuelan Embassy.

## A colleague asked his small son

how he was getting on at school. Pretty good," he said: learned how to write today."
"That's very good!" his father said. "And what did you write?" "I don't know," came the reply. "I can't read."

Observer

The partners of Whinney Murray & Co

Turquands Barton Mayhew & Co are now practising in the name of

## Ernst & Whinney



Aberdeen Bideford **Bastol** Cardill Cupar. Dartmouth Edinburgh

Newcastle Exeter Nowich Głasgow . Haddersfield

Sidmouth -Southampton Torouay Kirkcaldy =

Leeds

Livercool

Manchester

Luton -



## FINANCIAL TIMES SURVEY

Tuesday July 3 1979

# ACCOUNTANCY

The difficulties of finding agreement on setting accounting standards have again become controversial in the past year since the publication of the Watts Report, a consultative document. Meanwhile, the accounting bodies and large accounting firms believe that there is not much point in setting standards if there is no mechanism to enforce them.

## Industry lobby groups emerge

By Michael Lafferty

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in British accounting has been taken-up with discussions about the-Watts Report, a consultative document titled Setting Accounting Standards which considers whether present standard-setting might be improved. The document itself was published almost a decade after the accounting bodies took upon themselves the task of narrowing the areas of difference and variety in accounting practice . through the publication of accounting that the standard setting exer-

Over the years, however, controversy about individual standards and proposals, and increased willingness among large quoted companies to ignore pronouncements have convinced senior accountants that haprovements are necessary. One of the is a letter expressing considerable concern about existing standard-setting procedures Standards Committee prior to

Under the present system ecounting standards emerge from the Accounting Standards Committee (ASC), a body comtives of the main accounting bodies. ASC is controlled by the English Institute, which accounts for 12 of the 23 members. In terms of interest the committee is dominated by auditors and accountants in industry—each with 10 representatives. In addition, there is one accounting scademic, one Government representative and only one representative of asers of

Up to now, and probably for the foreseeable future, ASC has tackled subjects on an ad hoc and pragmatic basis, depending on whatever seems to be most important at the time. There is no fundamental accounting conceptual framework guiding standard-setting, beyond the general historic cost convention which is the basis of accounting in virtually all countries of the

It was probably inevitable it seems somewhat remarkable that the accounting bodies were able nine years ago to step into an area which had hitherto functioned without rules in order to lay down the previous ruling on the area. law. It could be said, however, to in the first few years, since proposals and standards seemed

Serious controversy and opposition from industry to a standard first emerged with the draft standard on research and development. ASC had wanted to require all such expenditure to be written off as it was incurred, but in the end had to settle for a standard that said capitalisation of certain development expenditure was permissible under what were said to be restrictive circumstances.

The pext confrontation with industry came when ASC's standard on tax accounting started to produce unacceptable results in company accounts. The standard, entirely in line with the historic cost convention, said that companies should make full provision for tax lia-bilities, regardless of whether the tax liability was deferred by government incentives such as stock appreciation relief and 100 per cent capital allowances. This soon meant, however, that companies were building up vast deferred tax balances in their accounts—amounts which. cise would run into trouble, seemed, might never have to be paid to the Revenue. Industry wanted a tax standard that was more realistic—and it got it when ASC took the unprecedented step of suspending its

Further confrontation between that there was little to object ASC and industry groups erupted a year or so ago property companies realised that either, eminently, sensible or the standard, SSAB 12, dealing favourable in their effect on with depreciation of fixed assets.

appropriate whose activities have more to

do with valuations than costs. was one of the most humiliating for the standards committee, since it resulted in the English Institute of Chartered Accountants refusing to endorse the standard. ASC had no option but to exempt the property industry for a face-saving 12 months. This has now become all but a permanent exemption.

One of the features of all emergence of industry lobby groups whose objectives were to accounting that not too objectionable as far as companies, the preparers of accounts, were concerned. One such organisation is the Midlands Industry Finance Directors Group, whose chairman is Mr. Paddy Custis, finance director of Mr. Custis, incidentally. recently refused a guaranteed seat on ASC because he believed would face a conflict of

Other industry include the Scottish groups Nationalised Industries' Finance Стоир, and the Hundred Group, a London-based body which claims to include chief financial officers (all of accountants) from the largest businesses in the country.

The Watts Committee's work has to be seen in the light of all these developments. The standard-setting procedures tayourade in their effect on with depreciation of fixed assets. To be assets, an edd for accounting standards, gets away with little more than made a number of uncontrol as bit of adverse publicity. In senior partner of Defoitte the government of the time had figures. While ASC was made a number of uncontrol as bit of adverse publicity. In Hawkins and Selis, sent to Sir, made it guite clear, to the afternentially in line with historic versial recommendations and the U.S. qualified accounts suggested the possibility of the will not be accepted for registrational of the Accounting gamon Press and GEC/AEI, that standard, it is also arguable Stock Exchange, or the Council tion with the Securities and

it wanted the profession to put that the convention is not for the Securities Industry, the Exchange Commission, with the need to be seen in the light of example, employees of the comfor companies new City self-regulatory body, result that the U.S. auditor is taking a more active role in en-The property company affair explored. This latter tentative has since developed into an unusual public conwith top accounting the Stock firms criticising Exchange for its shortcomings and Exchange officials being none too complimentary to the

#### accounting firms. Weakness

the large accounting firms appear to have come to the view that the whole standardsetting exercise suffers from a major weakness so long as there exists no mechanism for enforcing standards on companies. have simply been persuaded to apply standards because most finance directors, like auditors. chartered) accountants. Failure to observe standards would normally lead to a qualified audit report, and there was always thought to be the possibility that the powers that be in the profession might bring pressure to bear. There was also change Listing Agreement that companies were expected to observe standards.

That was all very well so long as it appeared to work. Over the years, however, and particularly recently, it has become clear that the company which ignores accounting stanreport concluded that there was ally accepted practice usually

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in a strong position in his dealhis client. In the UK, on the other hand, auditors who have qualified more and more company accounts have had to face a backlash for supposedly indulging in " techniaudit qualifications. When they do qualify today the consequences are far from dramatic.

It is in this context that the big auditing firms have turned their attention to the Stock Exchange. They argue that the Exchange's listing agreement, which all companies are supposed to follow, requires compliance with standards (actually, the agreement states that companies, while the main users of accounts, are in any case those who hold shares and trade in the stock market). It would also appear to be in the interest of investors that all companies should observe the language in their financial state-

The Stock Exchange for its part has not been slow to emphasise its central role in the self-regulation of the City. But involved in the enforcement of accounting standards.

Commenting on the Watts report, the Exchange had this " It is our belief that standards should be received, accepted and implemented by all those involved in the preparation of financial statements. Once it is recognised that each standard, has been drawn from accepted accounting principles. and once it is recognised that standards express what is generally held to be hest accounting practice, we believe they will recommend themselves."

The Exchange's attitude may

numerous attacks on its alleged failures. After all, the job of enforcing accounting standards would be tions of the stock market.

Perhaps the enforcement soluwill be based on the proposals of the English Institute of Chartered Accountants that the or the Stock Exchange, together with the accounting bodies, should establish a review panel to inquire into cases of The Stock Exchange recently approunced that it is giving consideration to this suggestion, while the Council for the Securities Industry is also thinking about it.

#### Boister

But many users of financial statements argue that something much more fundamental than the bolstering of the present set-up through the introduction of some enforcement mechanism is necessary. The most forthright and best argued comments have probably come from the National Economic Development Office, the executive arm of Neddy, the national economic planning forum. NEDC claims that the present standard-setting system has tended to produce standards which are as much, if not more, for the protection of the auditor as for the improvement in the comparability and disclosure intelligible accounts.

In simplest terms the office would like "to see the present bias in favour of preparer and auditor shifted towards the user

claims in favour of flexibility from some auditors by stating its belief that "companies have enough in common for common accounting standards to be applied."

NEDC wants to see binding and relevant accounting stancompanies and says it regards this as important for the proper capital markets. It also believes that Stock Exchange should enforce accounting standards on mate weapon being the right to suspend a company's share

from the Watts report discussion will not become clear until public hearings-the first of profession has had-take place this month. Whatever the outcome many informed accountants-whether auditors, finance directors or investment analysts seem to accept that stewardship accounting as practised in the UK will have to undergo some major transformation over

On the enforcement front it is inconceivable that the present system, where companies can accounting policies, will be able continue. Equally the accounting profession will have to make up its mind that standards exist for one purpose-to serve the needs of users of financial statements. Unless the present self-regulatory system comes up with these results within a reasonably brief time of accounts-interpreted in the accounting standard-setting in widest sense as including, for the private sector are remote.

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# Changes in the profession

of the country's 10 largest firms, was witnessed through a merger same league it became known about the end of 1978 that McLintock involved in talks which could client rather than gained one. eventually lead to the formation of a major international accounting group to rival any called of the Big Eight firms.

Moving down a little, there has recently been news that Arthur Andersen, the smallest of the Big Eight in the UK, is having merger talks with Tansley Witt, a typical representative of the large mediumsized accounting firm. Finally, last month came the announcement of a merger between two smaller medium-sized firms—

Finnie Ross Wild and Allfields, There is more than enough here to bear out what is now the conventional wisdom about the UK accounting profession— the line that says the Big Eight

THE PAST year has brought some important changes to the shape of Britain's accountancy profession. At the top end the much forecast disappearance of Turquands Barton Mayhew one will continue to squeeze out the them. McLintock was not in be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in the supportant changes to the shape of Britain's accountancy taking over their larger clients. The tangent of small clients around the country is also likely to the sider joining McLintock Main Grant (another substantial U.S. billings for 1979 probably of the around for a long time to squeeze out the them. McLintock was not in the substantial U.S. be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in the substantial U.S. be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in the substantial U.S. be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in the substantial U.S. be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in the substantial U.S. be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in the substantial U.S. be so with Tansley Witt, despite of City clients—though more Neville Russell, which do a lot them. McLintock was not in the substantial U.S. but the substantial U.S. be so with Tansley Witt, despite of City clients—though more out of City clients—though more of City clients—tho Turquands Barton Mayhew, one close profession-watchers for Lafrantz. It was on this basis

Ernst and Whinney). In the edge. Despite its size and strength in the Far East, Turquands was more often in was the news because it had lost a Internationally the firm was

involved in a loose association called Klynveld, Turquands Originally, this had started out as an effort by three leading European accounting firms-Klynveld Kraayenhof of Holland, Deutsche Trenhand of Germany and Turquands-to develop a European counterpart to the Anglo-American Big Eight In addition, it had a typical series of associates around the world, including Hurdman and Cranstons in the U.S. The concept had a logic but it never seemed to work, probably because the individual firms were not willing to give up enough for the benefit of the group as a whole.

The merger with Whinney urray takes Turquands into te of the Big Eight without any of its former European or North American associates. Offices of both groups in places such as Australia and S. Africa seem to be in the process of merging—an indication of how important referred fee work

Thomson McLintock development is not unconnected with what happened to Turquands. On the one hand there were Klylnveld Kraayenhof and Deutsche Treuhand, respectively the largest and second largest firms in Holland and Germany. but without a UK associate to look after clients' affairs. On the other there was a separate development in the German profession. Thomson McLintock's international firm-McLintock Main Lafrentz—lost its German member, Karoli Wirtschaftsprufung, as a result of the merger with Treuhund Vereinigung, the German firm which is part of Coopers and Lybrand international, another of the Big

McLintock and its partners Main Lafrantz in the U.S. were without a German firm to serrice their clients, while KK and Deutsche Treuhand were in need of a UK connection. The solution seemed obvious. As a gesture of good faith McLintock Main Lafrentz agreed to have its. German clients serviced by Deutsche Treuhand. Talks then zot underway.

The German and Dutch firms rere still wedded to the old idea of forming a strong European they wanted Thomson McLin-tock to throw its lot in with

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years. On the national front the that an announcement was made firm somehow seemed to have saying discussions were underwith Whinney Murray (now lost its former competitive way to create a new and major international accounting firm.

#### Solution

The first problem the talks met was what to do about Hurdman and Cranstonn, the U.S. firm connected with KK and Deutsche Treuhand. Hurdman is a large U.S. firm just below the Big Eight in size. One of its major clients is the U.S. end of Philips, the Dutch electronics multinational which is audited in Europe by KK.

Such audits are not jeopardised easily in the internctional accounting business. Again the obvious solution was a merger between Hurdman and Main Lafrentz, which itself claims to be ninth largest firm in the U.S. Such suggestions were dismissed as "pure speculation " by both firms when first aired in public. Nevertheless, last month came the news that they have agreed in principle to merge. With the U.S. side fied up, the focus of discussions has now moved to Europe.

Thomson McLintock is one of the largest of the UK accounting firms. It is not a national firm in the sense that all partners share the same profit pool. It has been on many of the Big Eight's shopping lists. Yet it has survived. The key here seems to have been the strength of the firm's inter-

The same does not appear to

associates around the world, the direction of managing (AA), possibly the most aggresshare in AA's future and the international group, Spicer and whole Tansley Witt exterior Oppenheim.

looked a little naked. ably he left out of the proposed merger. To add to the confusion Alexander Grant, no doubt realising the impact of the possible merger on its own future, commented that as far as it knew the majority of the TW appeared finally only about the up with Arthur Andersen.

If firms like Turquands Barton Mayhew and Tansley Witt disappear into mergers with the Big Eight, which of the other medium to large accounting firms will survive? It is impossible to say with any certainty. What can be said, however, is that it seems unlikely that any of the firms listed in the accompanying table has not considered a merger in the past few years. By this time next year it would not be surprising if more well-known old names have not made

Perhaps the best guide to the eventual survivors is the names the Big Eight mention as being the most desirable takeover prospects. Such firms have something to work for. Here the most outstanding example may well be Spicer and Pegler. It is a City-based firm, with lots

## Confusing groups

world is confusing, even for those who are accountants, with an array of bodies and initials capable of creating considerable confusion. There is the CCAB, the ICAEW, the ICAS, the ASC, IASC, APC, UEC, CIPFA and ICMA—to mention but a few.

The legal position is straightforward: anyone can call himself an accountant. Unlike countries such as Germany and Holland where the right to use professional titles is closely regulated, there is nothing in Britain to prevent a few students who have failed the Institute of Chartered Accountants exams from opening an office in the High Street and presenting themselves as "Accountants and Auditors." This

bas certainly happened. bodies and qualifications which are normally regarded as part of the established accountancy profession? There are six professional hodies in this category: the Institutes of Chartered Accountants of England and Wales, and of Scotland and Irekind, the Association of Certified Accountants, the Institute of Management and Accountants and the Chartered Institute of Public Finance and Accountancy.

Together, these bodies pre-sent their views to the outside world through the Consultative Committee of Accountancy Bodies (CCAB), which is run from the Moorgate Place head-quarters of the English Institute of Chartered Accountants, the largest of the professional bodies.

There are certain distinctive days when the only way a young and Audit Departman could become a chartered ment, where most of the exist-accountant was by serving ing staff do not have formal articles of clerkship," for accounting qualifications. which right he had to pay a

The premium system disappeared finally only about the time of the last war. The articles system still remains the hallmark of a chartered accountant's training today. He can enter the profession only by training with a practising firm of chartered accountants, where he is "articled" to one of the partners, Nowadays it is common to describe this process as

While training, the student accountant is expected to be given a broad range of experience, but most of his time is likely to be taken up with auditing clients. When he qualifies and has gained a number of years' experience the chartered accountant is eligible to apply to the Institute for the practising certificate—at which point he may set up his own accounting firm, or go into an existing partnership as a member of the firm.

The Association of Certified Accountants, and its predecessor bodies started their existence by providing an alternative to the chartered accountant qualification for poor students who could not afford the expense of articles. Today it is the second largest accounting body in the UK in terms of total membership, which amounts to more than 20,000 individuals, Less than 2,000 certified accountants are in fulltime public practice running

BRITISH accountancy accounting firms. The vast is confusing, even for majority are in industry, and commerce.

The Institute of Cost and Management Accountants is probably the nearest competitor to the Association of Certified Accountants. Like the majority of certified accountants, it students are trained wholly in the companies or firms where they work. There is no system like articles and the essential difference is that training is normally in a company,

The Cost and Management Institute has more than 17,000 members and no fewer than 36,000 students. The comparable student figure for the Association is in excess of 58,000. A very large proportion of these students work and study and take their exams in countries So, first of all, what are the outside Europe, normally in the new Commonwealth areas. In the case of the association slightly more than balf of the registered student body is over seas. Of the home proportion only 1,200 of the 29,000 students are graduates.

The vast student bodies of both the association and the Institute of Cost and Management Accountants occasionally attract complaints from the other professional bodies. Indeed, there have been suggestions that the Association has been making a considerable profit for its qualified member-ship out of its student population. This may no longer be the case, however, since fees

were reduced a year or so ago. The Chartered Institute of Public Finance and Accountancy (previously the Institute of Municipal Treasurers and characteristics of each of the Accountants) is the accounting professional bodies. The Insti- hody which generally trains tutes of Chartered Accountants accountants for local governlikes to claim the highest status ment. Increasingly it is getting in the accounting scale of a foothold throughout the pub-esteem. This goes back to the lic sector and even within the

#### Competent

Within the CCAB group there are what are called the "recognised bodies"-the professional bodies whose members are recognised specifically under the Companies Act as being competent to carry out audits. These are principally the Institutes of Chartered Accountants in England and Wales, Scotland and Irelandand the Association of Certified Accountants.

Added to this is a newly-formed body called the Association of Authorised Public Accountants. This was formed in July 1978 and includes more than 400 of the estimated 1,000 individuals authorised to carry out company audits by the De-partment of Trade in addition to those qualifying automatically because they are chartered or certified accountants.

The new Association seems to be working fairly closely with the Association of Certified Accountants, which has agreed in principle to provide its technical services to the new body's members. Members of the Asso. ciation of Authorised Public Accountants point out that Department of Trade authorisation is given only to applicants who can demonstrate many years of experience in public company audits under the supervision of a member of the officially-recog-

Along came Arthur Andersen partner Richard Langdon, Spicer and Pegler has developed sive of the UK accounting firms, into a national firm and is now offering the London partners a also the lead firm in its own

Writing to partners and staff It turned out that the firm a few years ago, he warned that was a national partnership only mone of the Big Eight will in name and that a number of suddenly disappear or rapidly the regional offices would prob- decline. But "there should be room for more." "We must petitive and market-orientated spirit within our own organisa-

#### Survivor

elsewhere.

another survivor, so manag-ing partner Mike Shirley-Beavon argues, will be Binder Hamlyn. Binder is not yet a national partnership but it has a unique link with two major European. firms Deutsche Warentreu-band of Germany and Dijker en Doornbos of Holland. The strategy is similar to that of the old Klynveld Turquands VDTG partnership but evidence so far is that this one may well. work out. Binder Dijker Otte, as the joint firm is called, markets itself as a European accounting firm. It is not yet a worldwide firm, though it has links with firms in the U.S. and

Medium-sized firms with spe-cialist client areas may also be survivors—unless and until the Moore Stephens, which has cornered the Greek shipping. market, and Baker Sutton and

The matter can be seen in a slightly different light by going back to the list of the top UKfirms. Within the group it seems that the top five firms Peat Marwick Mitchell, Price Waterhouse. Deloitte Haskins and Sells. Coopers and Lybrand and Ernst and Whinney may be leaving the rest behind. Arthur Young and Touche Ross are much smaller than the others. The only way they could remedy particularly engender the com- the situation would be through a merger. But there are few firms they would want to acquire without shedding a few surplus partners. Arthur-Andersen, even after the pro-posed Tapsley Witt merger, faces the same problem.

So what are the criteria for survival after all this? Talking to managing pariners the

(a) doing a competent audit: (b) being large enough for economies of scale in training and back-up

(c) having a highly respected

name (d) ability to recruit high calibre graduates from

the major universities; national coverage: full range of specialist. international-competence,

the other end of the scale there are of course the cialist client areas may also be thousands of small local survivors—unless and until the accounting firms. For these big Eight turn their attention, there will always be plenty of to them. Examples here pro- work and a good living probably include Stoy Hayward, vided, as one partner put it which has a name in the pro- sycrome is willing to take his which has a name in the pro- everyone is willing to take his perty and textile industries, coat off to provide the service the client needs.

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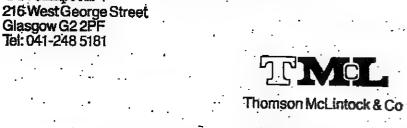
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# Progress towards common standard

ACCOUNTING HAS made cop were welcomed for their recent years as it has struggled siderable strides in recent years simplicity. By chance, falling to adapt to Post Office cutbacks towards the goal of achieving scrap prices had that year and to the changeover from full precision and comparability reduced the cost of sales adjusting company reporting. But ment by £21m. In January, caperienced users of accounts 1979, the current cost figures meant big staff redundancies will know that there are still musteriously failed to appear will know that there are still mysteriously failed to appear many occasions when a sharp in the annual report There was eye and an ability to read no explanation, but it was a fair between the lines are necessary guess that after a surge in scrap for a full inderstanding of a prices the cost of sales adjust profit and loss account or a ment would have looked much balance these second more damaging than a year

balance sheet. There are hawkish accountants who call for no-nonsense standards and rigid ennonsense standards and rigid enforcement. Deloitig Haskins and
Sells, for example, recently
called for standards which
would eliminate flexibility and
for penalties including fines
for directors where companies refuse to comply.
But there are also doveish
and tors who are hable to assee

auditors who are hable to agree that in special circumstances companies are justified in de-clining to follow a standard, while when it comes to tricky points they may decide that so long as there is what they think is adequate disclosure in the notes to the accounts they will

be satisfied.
To take one entirely innocent example, for some years ICI adopted accounting policies in respect of Govern-ment investment grants which were not compatible with the accounting standard SSAP 4. Its accounts were qualified but such a purely technical qualification appeared to have little

effect.
In 1977, however, the company changed ironically because of the insistence of a foreign agency, the U.S. Securities and Exchange Commission, that it should observe generally according to the company of the Co accepted UK accounting practices in its financial statements.

#### Face

CLRIFEE SACTOR

If accounting policies were completely voluntary, of course, all sorts of U-nurs would be all sorts of Unions would be Subsequently the shares were employed by companies seeking reclassified as current assets So to show their best face to the when it came to selling them world at all times An example last year, the £3.9m surplus of this can be found in the which arose compared with behaviour of Thomas W. Ward written down value went into in the past two years in relation profits. This treatment was, to the Hyde guidelines on however fully disclosed in a inflation accounting companies to the profit of the profits of the same profits. The profits of the profits of the profits of the profits of the same profits of the profits of the same profits of the profits of the same profits of the profit

more damaging than a year

pefore... Many other companies, of course, have made excuses for not publishing inflation adjusted figures. The explanations have varied, but strangely have never included the most honest justification, that publication might.

The report and accounts published by Lonrho early this year. in the view of the directors, damage the company;

#### **Twilight**

Most such problems of omission will disappear, of course, when current cost accounting becomes compulsory. But discretion still remains an important factor in a number of areas of accounting. There is, for example, that perennial twilight area between exceptional and extraordinary items which sometimes pop up above the line and sometimes are confined below.

Companies like Debenhams and Trafalgar House take in property disposal profits above the line—which may be acceptable. able if they are regular items, but nevertheless such profits are highly volatile and cause analysts considerable problems in assessing the underlying level of earnings.

And Trafalgar's last annual profits received a £3.9m boost from a gain which had arisen in a slightly curious way. Its stake in Savoy Hotel had been bedand breakfasted (sold and bought back overnight for tax reasons) in 1974-75 and a \$2.6m loss at that stage was treated as an extraordinary item. Subsequently the shares were

auditors unless they are ested. ways, which can only mystify So it was that Ward published users. An example of one of An example of one of current cost profit figures in these difficulties can be found in of current cost accounting is January, 1978, and the contribe upheaval suffered by the that of asset valuations. The clusions of the Hyde Committee telecommunications industry in property and shipping indus-

and major plant rationalisation. The puzzle is that, whereas Plessey has found it appropriate for several years to make big extraordinary charges below the line, its competitor STC has treated rationalisation costs only charged before striking a pretax profits figure. It will be interesting to see whether this contrast persists now that STC

aroused interest because of the company's insistence on treating House of Fraser as an associate. It held a slightly lower stake than the minimum recommended by the relevant accounting standard SSAP 1 (a problem effectively cured since then, however, by the takeover of SUITS).

But it was also noticeable that Lonrho had changed its policy on currency translation so that unrealised exchange adjustments, which used to pass through the p and I account as extraordinary items, now go straight to reserves. Due to the strength of sterling, exchange losses are now a problem for companies which used to bask in the warm glow of devaluation-induced gains. It appears that the Lourno accounts prompted other clients of Peat Marwick Mitchell, joint auditors to the company, to ask whether they could make a similar change.

There is nothing wrong with modifying accounting policies when they begin to cause distortion. But it was evident that Lonrho had not at the same time changed its unusual policy for depreciation, which allows it to write back into profits the unrequired past depreciation on revalued assets.

This policy boosted profits sharply more last year than it done in the past. Peats told the Monopolies Commission, which was inquiring into the Lonrho/SUITS merger, that the practice was "acceptable, adequate disclosure, though somewhat unusual."

One controversial area which promises to become still more contentious with the approach of current cost accounting is

balance sheets, which sometimes have to be read in conjunction with notes appearing a good few pages further back

in the annual report. When the Dutch company Wereldhave was bidding (it turned out unsuccessfully) for English Property Corporation a few months ago, it was able to point out certain discrepancies. as exceptional items which are A £33m shortfall in the value of EPC's Brussels properties had been acknowledged in its annual report but had not been reflected in the balance sheet.

Then there is the continuing saga of Burmah Oil. Everybody knows that when Burmah tool deavour and the Burmah Enterprise, two giant tankers, the company was acquiring a hole in its balance sheet. At the end of 1978 these vessels were being carried in the books at £89.2m, but as a note to the accounts "profitable employment for these ships is not in pros

The attitude of the company is that at some time in the middle 1980s the ships will be worth more than the then book values after depreciation. The auditors Whinney Murray are not happy at the balance sheet valuation and have heavily qualified their report. But the unsatisfactory position remains that assets are being carried in the balance sheet not at what they are worth but at what the directors hope they might pos-sibly be worth in a few years'

#### Favoured

It comes back, once again, to the question of flexibility. The system of accounting in the UK neither strictly historical cost, as in the U.S., nor current cost. It is a system much favoured by companies because they can revalue their assets if and when it suits them, rather than be forced to devalue them in the middle of a crisis which might leave the balance sheet uncomfortably exposed. The worst that can happen is that a cautionary sentence will be inserted into the auditors report saying something such as that it is not clear whether or not the assets are included at appropriate values. But before long, perhaps, the penalty will

Barry Riley

# Keeping track of inflation

ED 3. ED 18 ED 24 long-term financing is vague, important deficiency of ED 24 Inflation accounting is now into Many experts are unhappy at emerges, however, at a practical its third exposure traft, and it the gearing method chosen, level. The problem is that the will be next. October—which falls short of allowing a proposals involve two profit the exposure period for ED 24 full adjustment for the benefit figures appearing in a single ends—before it will be possible to gain a firm idea of from the evoluty holders receive report and accounts. One is a sible to gain a firm idea of from the evoluty holders receive figure which the auditors will whether the latest effort of the Accounting Standards Commit—Economists take a more view on the historical cost tee (ASC) stands a better radical view on this point than convention. The other is a

are some favourable signals, is that only realised gains can The latest acceleration of be so treated, so that only the inflation to a threatened 173 per cent by November adds an element of renewed urgency to the inflation accounting programme which was in danger of being slowed down by the dip of inflation into single figures last year. And the new Conservative Government shows signs of being much more enthusiastic about current cost accounting than the Labour

The Inland Revenue is keen to go over to a proper form of inflation accounting to re-place the ad hoc concessions, notably for stock relief, that they have been making for some years. But it is not clear at this stage whether the Inland Revenue is happy with the ED 24 proposals as they now stand. It is to discuss the matter with the accounting profession in

#### Receptive

With the passage of time opinion both inside and outside the accounting profession is probably more receptive to the (CCA) than a few years ago. The heated arguments over the more controversial aspects of CCA, and over the question of the need for gearing adjustments, appears to have died of the real value of their net down. Yet there are still several monetary assets.

and the boundary line between profits.

Short-term working capital and What is perhaps a more poration tax would be highly

profits. But the ED 24 position account is that only realised gains can pared." geared proportion of the depre quite different profit figures

The differences can be considerable. The Bank of England dual approach will be dropped has just produced estimates of and the current costs accounts real rates of return on capital will become the main accounts. cial companies. The most consert this transition will be achieved. for UK industrial and commerfor gearing benefits at all, but for gearing peneits at all, but Patchy simply represents profitability Patchy net of stock appreciation and On this basis British industry If stockbrokers, institutional earns a return of around 4.5 per investors, bankers and financial

the Bank of England's econo they can get hold of figures for mists estimate that for 1977— all listed companies (the are available—the pre-tax re voluntary Hyde guidelines has are available—the pre-tal voluntary rive guidelines has turn would have been more like been distinctly patchy) then

Critics have pointed out some of the anomalies of the ED 24 basis, gearing adjustment. Gearing But gains will depend on the kind conser idea of current cost accounting of assets a company owns rather than simply on whether their value has increased, while companies like GEC which have oig cash holdings will not have to provide for any diminution England, Mr. Gordon Richard-of the real value of their net son, recently called for wide-

down. Yet there are still several areas in which ED 24 is coming in for criticism.

For example, the definition of the monetary working eapital with its prohibition of the Revenue could be influential here. Adopt and the boundary line between profits.

whether the latest effort of the of borrowen money.

Accounting Standards Commit Economists take a more view on the historical cost tee (ASC) stands better radical view on this point than convention. The other is a accountant, who tend to be in supplementary figure which one of these was killed off by fluenced by prudential con may not be audited at all, the intervention of Whitehall siderations. Thus economists although there is pressure on and the other by a rebellion argue that the whole of the auditors to adopt some form of within the accounting profes gearing gains which accrue to positive qualitative statement sion.

Companies should be credited to such as that the current cost profits. But the ED 24 position pared."

Plainly the existence of two ciation and working capital poses problems of credibility for adjustments are released to users of accounts. The intention underlying the approach of ED 24 is that after a short time the But it is not at all clear how

Presumably much depends on replacement cost depreciation the attitude of users of accounts. journalists start concentrating On an ED 24 basis, however, on the current cost figures once the latest year for which figures, response by companies to the 6.2 per cent. And on the basis, public opinion could exert conof a full "natural" gearing siderable pressure. Perhaps one
adjustment the return would day, for example, the FT will
have been 7.4 per cent. change its back page p/e and cover calculations over to a CCA

But if users prove to be as conservative as the accountants have been, it could all take a very long time. That may be why public officials are now taking a more active approach. The Governor of the Bank of spread adoption of CCA to counter the distortions allowed

The attitude of the inland Revenue could be highly influential here. Adoption of

panies to concentrate their on

But there remains plenty of entrenched opposition to CCA. Insurance companies and property investment companies have refused to have anything to do with it, and have been granted exemption from ED 24. Shipping companies have been notable for their refusal to comply with the voluntary Hyde guidelines and it remains to be seen whether they will be convinced that a satisfactory solution can be found to the ship ping industry's problems over asset valuation. Then of course there is the

accounting profession itself. It is only two years since, by a majority vote, the English Institute rejected the introduction of compulsory CCA.

The Steering Group knows that there is still plenty of opposition among smaller accounting firms. The scars of its previous defeat show in the flexibility of the new exposure draft—the new rules will cover listed companies, but ED 24 is somewhat tentative in proposing at what turnover level private companies will have to conform -and in the absence of any laid down timetable for further developments in inflation accounting. The ASC will probably only go as fast as it thinks opinion within the profession will allow.

But the debate is not being carried out in a vacuum. If the accountants continue to drag their heels the Government may he tempted to take a firmer stand. And there is an international perspective to the debate. In the U.S. the Securities and Exchange Commission. disturbed at the impact of inflation, now rising about 10 per cent, has been seizing the initiative from the U.S. account-

ing profession. It will be a blow to the reputation of the accounting profession on both sides of the Atlantic if it proves unable to respond adequately to an urgent

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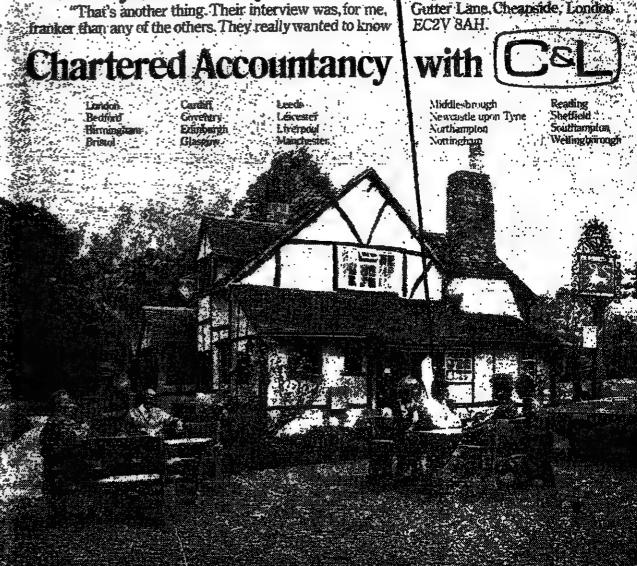
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On this and the page opposite profiles by MICHAEL LAFFERTY and BARRY RILEY portray leading figures

in accountancy, including this year's centenary President of the

Institute of Chartered Accountants in England and Wales.

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The Institute is the established body for accounting technicians with some 14,000 students and members and continues to grow. Its qualification requires a mix of practical experience and study and is an aid to employers wishing to attract young entrants to accountancy and to increase the proficiency of experienced but unqualified staff.

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> For further information, write to: The Secretary (FT) The Institute of Accounting Staff 21 Jockey's Fields, London WC1R 4BN

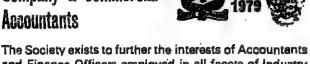
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Aspects of the accountant at work published. The report cata-logued the failure of L & C, which itself precipitated the start of the secondary banking

collapse. It was highly critical of many of those involved, not least the old accounting firm of Harmood Banner, now part of Deloitte Haskins and Sells, which had acted as auditor. Such criticisms were only the beginning of what began to

seem like an avalanche for the accounting profession. Yet at no time has any criticism been levelled against David Hobson, though privately it would only be human if partners in Deloittes, which is now facing an £8m writ as a result of the L & C failure, wished his report

had been less explicit.
David Hobson has been for-tunate enough to head Coopers at a time when, despite controversies surrounding many other resies surrounding many other major accounting names, his own firm has not been the centre of a single "public case." The only such known action against Coopers, relating to the company Burnholme and Forder, was crossed off the list in the High Court recently.

Like his predecessor, Mr. Hobson has managed to com-

Hobson has managed to combine a successful career within his firm with considerable achievement in external professenior accountants today have sional affairs. He is an enthu-no doubts about David Hobson. siastic member of the Accounting Standards Committee, and oopers mould.

Day id Hobson shot into the time as a likely chairman. He public eye in 1975 when the is also a member of the Council Department of Trade report on of the English Institute of London and County Securities Chartered Accountants, where (L & C), where he had been the presidency may yet come one of the two inspectors, was his way.

#### Patterson **HUGH PROUDFOOT Patterson** has been senior partner of Whinney Murray since 1973. In

Hugh

firm into the largest single merger the UK accounting profession has ever seen-the link with Turquands Barton Mayhew. The combined firm has over 180 partners and probably ranks third in order of size among the big accounting firms. It now practices under the name Ernst and Whinney, a title which reflects the combination into one international accounting group Macnair himself was admitted

the past year he has taken his

to the London partnership in 1953 and for many of his early years worked closely with Sir William. Colleagues say he can-TMcL partnership. To the out- not be categorised as an audit side world it all seems very or tax partner. "He was a unwieldly, all the more so when general partner, as opposed to a specialist." In later years James Macnair

became increasingly concerned with the development of the practice. His particular contribution has come in the expanmittee, which is said to sion of McLintock's international considerable persuasive coverage, through the group of firms which is now known James Macnair became the around the world as McLintock

> international firm that it has not fallen apart like so many others in the fast-changing international accounting world of recent times. In particular Thomson McLintock has resisted the offers of Klynveld Kraavenhof and Deutsche Treuhand, two leading Continental firms to leave McLintock Main Lafrentz to form a new European partnership to compete with the Big Eight. Instead, it has been successful in getting both firms interested in joining McLintock Main Lafrentz.

If the international partner-ship which the current talks appear to be aiming at comes about James Macnair's skills and international accounting expertise will be much in

James Macnair is a senior partner in the traditional partner in the mould. He has progressed within his own firm and is also a leading personality and thinker on professional and technical accounting matters. He is a council member of the Institute of Chartered Accountants of Scotland. Within the London firm Mr.

Macnair does not have direct executive responsibility for managing the partnership— London has its own policy committee. He retains an interest in a number of audit clients, including Associated British Foods, the National Enterprise Board and UK Optical Group

Whinney Murray.

austere, cautious and careful individual. He came to head Whimney Murray by a path which would seem unlikely today, for such a major firm. He did not go to university. After qualifying as a chartered accountant in 1934 he joined. the firm Whinney Smith and Whinney, becoming a partner no less than 10 years later. His initial specialisation was in tax work, moving to the more traditional audit area only in 1965, the year when major changes in UK tax laws were enacted.

Today he still manages to mix client work with the job of running Ernst and Whinney. His main audit clients include Midland Bank and Dunlop, Others have been Bass Charring ton and Whitbread. He also headed the firm's team which advised the last Government on FOR DAVID Rae Smith, Deloitte

background Mr. Patterson has not taken any noticeable part in professional activities outside his own firm. A colleague comments that the vast commitment of other partners in the firm to Institute affairs made it unssary, or maybe impossible, for Patterson to get involved.

Asked to reflect of Hugh Patterson's greatest professional achievement, partners in the firm freely admit that this lies in the organisation and efficiency: he brought to Whinney Murray. Without that we would never have been able to merge with

of Ernst and Ernst of the U.S., one of the Big Eight firms, and



#### David Rae Smith

the nationalisation of the air. Haskins and Sells is something craft and shipbuilding indus of a family firm—his father. Sir tires.

Alan Rae Smith, was a leading partner before him. Now, at 59 Perhaps because of his tax Mr. Rae Smith is senior partner packground Mr. Patterson has of a firm which stands very not taken any noticeable part in professional activities outside in partner before num. Now, at the partner before num. which owes a good deal to the impact of one of the largest. UK accounting mergers—the UK accounting mergers—the 1974 union of Deloittes with Harmood Banner which took place fairly soon after Mr. Rae Smith became senior partner in

October 1973. He joined Deloittes, his only firm, in 1946. He has specialised become involved in tax affairs can chat in confidence."

David Rae Smith has active David Hae Smith has accuse interests outside Deloittes. Since 1961 he has been Honorary Treasurer of the Royal Institute of International Affairs, work for which he was awarded the CBE, in 1976. At the English Institute of Chartered Accountants he sal for a number of years on the overseas relations committee. In his spare time he enjoys

His period as senior partner has provided plenty of challenges. Another major develop-ment for the firm after the Harmood Banner merger was. the cementing of the relationship with the U.S. firm Haskins and Sells, which led to the adoption of the common trading name Deloitte Haskins and Sella-from May 1978. This change marked a stage in the slow pro-cess of a complete amalgamation of the two firms.

Recently too the UK firm embarked on major manage-ment changes. Mr. Rae Smith told partners and staff in April this year that the structure. created after the Harmood merger "had begun to show signs of creaking in some areas." Now the senior pariner is backed up by two new executive partners, the managing partner of the UK firm and the international partner.

These moves relax some of the burdens on David Rac Smith, but he insists that as senior partner he will still be "the focal point in the partner ship both internally and externto sudits-large, medium and ally." He points out that clients small-and has been active in come to see the senior partner investigations, new issues and for general advice. "They see general financial advice. On me as an independent man of the other hand, he has never business affairs, to whom they



David

Hobson

DAVID HOBSON has been

senior partner of Coopers and

Lybrand since 1975, when he succeeded Sir Henry Benson, one of the profession's best-

known personalities. Though there were questions at first,

He is tough in the traditional



by Katsushika Hokusai (1760-1849)

JAMES MACNAIR is senior partner of the London partnership of Thomson McLintock and joint chairman of the UK firm's policy committee, a post which he shares with John Kirkpatrick. sanior partner of the Scottish it is appreciated that there are no fewer than 12 separate and largely autonomous Thomson McLintock partnerships throug-out the UK. They are held together by the UK policy com-

enior man in London in April Main Lafrentz. 1978. in succession to Sir In this organisation Thomson William Slimmings. After read- McLintock is definitely one of ing history at Oxford he had the main partners. It is a doined the firm where his uncle tribute to the strength of the was already a partner. Mr.

#### David Richards

will hold a week of celebrations 1980. to mark its centenary. The occa- David Richards has just spent

progress through the professional societies and committees. During the 1960s he was prominent in the London and District Society of Chartered Accountants, becoming chairman in 1969-70. He was then elected to the Council of the Institute in 1970; since then he has been at various times chairman of the auditing practices committee, the post-qualifying educa-tion committee and the research committee.

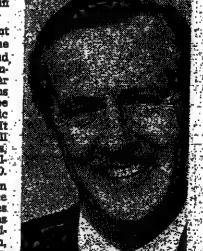
He was educated at Highgate School and qualified in 1951 with the firm of Harmood Banner. of which he soon became one of the youngest partners. In 1974 this was absorbed into the larger grouping which now trades under the title Deloitte Haskins and Sells. The link with Harmood Banner has caused occasional embarrassment however in the light of adverse publicity resulting from the collapse of the fringe bank London and County Securities, of which Harmood had been auditors.

Though Mr. Richards carried no personal blame his firm was criticised in a Department of Trade Inspector's report, and he thought it right to tender his resignation as chairman of the auditing practices committee in 1976. Clearly this problem has not lost him any respect within the profession. But there is an awkward possibility that the 28m claim by the London and

NEXT MAY the English Insti- County liquidator against Hartute of Chartered Accountants mood could come into court in

sion will be signalled by an a year as chairman of the international conference, an Institute's public relations and exhibition and a centenary ball 'communications' advisory 'comamong much else (though the mittee and has been a member Post Office has turned down the working party, so he will be suggestion of a special postage fully prepared for the hectic stamp issue). The man who will schedules of the year shead. It preside over all the festivities does not look as though he will will be David Richards, who have much time for his hobbles, was elected as President of the which include golf, tennis, sail-

> Curiously enough, his election this year perpetuates a sequence in which partners of Deloittes or one of the firms it has absorbed-have held the presidency in the Institute's 25th, 50th, 75th and now 100th year.



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#### John Grenside

JOHN GRENSIDE is probably the best known of the senior partners of the big accounting firms, having been President of the English Institute of Char-tered Accountants in 1975.76 tered Accountants in 1975-76. He has had an extensive pro-fessional career outside Peat Marwick Mitchell, where he has been senior partner since 1977, when he are the has been senior partner since 1977. when he succeeded Sir Ronald Leach. He is still a Council member of the English Insti-tute; he sits on the International Accounting Standards Commit-ties, the London-based body. which seeks to develop international company accounting standards: he is a member of the Council of the International Pederation of Accountants, the unbrella body for the international regeration of Accountants, the umbrella body for the international accounting profession; he is a member of the Governor of the Bank of England's City Liatson Committee and a trustee of Professor Edward Stample of Professor Edward Stamp's International Centre for Research in Accounting at the

University of Lancaster In professional circle, Mr. Grenside is regarded as an must impressive and formidable per- face former and one of the "strong men" of Eritish accounting. In this area he is backed up by where demands from the public, Michael Renshall, former technical director of the English increasing all the time." nstitute, who became a Peat farwick partner a couple of

the City. Grenside has no doubts about his role at Peat Marwick. "We must recognise the changing face of accounting in this country. We have to accept that we live in a robust atmosphere

When it comes to the revelation of even the broadest figures ago.

for his own firm's performance
the area of accounting he is immovable. Such questions inducted Mr. Grenside is are simply motivated by curi-garded as one of the more osity, he declares—though he

apparently sees nothing wrong with his partners in the U.S. firm publishing an annual Peat Marwick Mitchell report and accounts.

Following the past few years

of heavy criticism against the profession, and the big account-ing firms in particular, efforts have been made to present a better public face in the area of discipline. In this John Grenside has played a major role. His committee's proposals for a reform of professional investigative and disciplinary procedures have recently been approved by vast majorities of accountants in all the profes-sional bodies. The scheme allows the accounting bodies to take action for the first time against firms or members for bad workmanship.

bad workmanship.

The UK partnership of Peat
Marwick Mitchell itself has been
spared the sort of "public
cases" that the Grenside
scheme is intended to deal with.
However, the Continental
Europe PMM firm, which works
closely with london has not closely with London, has not been so fortunate. Here the German arm of the firm is still contesting a court award of DM 5m in damages in an action brought by a company asso-ciated with UDS Group, following the collapse of the Bieberhaus department store in Frankfurt in 1975. Total damages claimed in the case run to some DM 35m, with in-

was a good moment to have a change," he says. "I wanted to join an international firm.

His rise was rapid. He became a partner in 1939 at the

her of the 12-man policy committee of the international firm which looks after the worldwide branch network and supervises

quality controls.

Responsibilities as chairman of the 86-partner UK firm take up two-thirds of Mr. Darby's time. But he still manages to keep his hand in with his per-sonal professional specialities, notably patent extension cases and corporate finance work. He has had to drop the company

doctor type directorships he used to hold, however.

Outside the firm, Dr. Darby sat for five years on the English Institute's overseas relations committee, for the last two years as vice-chairman, But he has now made way for another Arthur Young partner here.

John Darby appears to take a fairly strong line on disciplinary enforcement questions within the field of accountancy. He believes that companies must be forced to obey account-ing standards in all material respects, and that it should not be acceptable for non-compliers to escape only with a qualifica-SPELL of national service tion to the report. But he is conas a pilot in the RAF proved cerned that this discipline can to be an important break in the career of John Darby. Edu-cated at Charterbouse, he was not be enforced by the accounting profession alone, while the Stock Exchange "seems curiously reluctant about assistarticled with Kidsons in London. But when he left the RAF in ing with the necessary enforce 1955 he chose to join Arthur Young McClelland Moores, "It ment procedures."

As for Arthur Young, Mr. Darby comments: "We try to be the quality members of the Big Eight. We are not interested in became a partner in 1959 at the size for size's sake." Do they age of 29, and chairman of the firm in 1974. He is also a mem-not our style at all."

#### Michael Coates

MICHAEL COATES is typical of the breed of senior partners who are managers first and foremost. Indeed as senior partner of Price Waterhouse he has no client responsibilities. Colleagues describe him simply "an organisation man" and say his greatest contribution to Price Waterhouse is the way he has developed the firm into an efficient business. This is evidenced by numerous fulltime appointments of partners without client responsibilities. as for example in areas like technical services, taxation, training, personnel and finance.

Michael Coates is particularly

strong on forward planning, and his counterparts in other

major firms are only too well aware of how successful he has Under his direction, particularly in the past few years, Price Waterhouse has become the most competitive and aggressive of the big firms Mr. Coates qualified as a chartered accountant in 1951, devoted to developing waterhouse in Newcastle organisation rather than his Waterhouse in Newcastle own professional career. Cerwhere his father was a partner tainly. Michael Coates has never—and still has an office. He seemed to do the latter outside transferred to the London office, the firm, and has taken in few years later and became noticeable part in professional a partner in 1959. He emerged or Institute affairs. It may be as senior partner of the firm said however, that any gap has in 1974, having been chosen for been well filled by other PW the post by partners in prefer- partners, including Tom Watts. ence to Martin Harris, Mr. Harris subsequently left the ing Standards Committee, and firm to become Director tien. Richard Wilkes. Touche Ross partnership has eral of the Takeover Panel, and president of the English Instiis now finance director of tute.

Nichael Coates will shortly be

English and Scottish institutes Reckitt and Colman.

Michael Coates will shortly be since 1970. "I have only one job in life." he says, "and that Harris, Michael Coates is a shy. Price Waterhouse for another is trying to manage Touche retiring personality. PW part five-year term which will take Ross." ners have had to accept that him up to the age of 60,



he is not a man for light. But one of them says i is much better for the firm to have a senior partner who i now chairman of the Account-

#### Douglas Baker

DOUGLAS BAKER has an impositions of titles and positions of Tam walking a dightrop beat Touche Ross. He is managing tween the needs of running the at Touche Ross, the is managing partner of the U.S. firm, a member of the U.S. firm's executive allowing partners their essential and vice-chairman of the professional independence."

Essentially he is the chief Touche Ross ever since joining executive of the British firm, at the age of 16 in 1945, with which he seeks to run on company lines. It is not a Service with the Royal Navy straightforward task. "A port He began in auditing, but nership is a poor form of cor-

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only a short break for National

investment trust and secretarial departments before becoming partner in charge of the sceretarial and registration depart-ments in 1960. He has been a member of the Board of Partnors since 1964, became an international partner in 1986, and exsistant managing partner in 1962. In 1975 he moved up to his present position at the tup of the management of the British firm.

His clost difficult problem has probabit been the scandal over the 1975 accounts of Scottish structure, which is constructed as a federation of national firms and Universal Investments, in Touche Ros- allowed run independently but to a common pattern. The nature of the organisation was typified of loans to appear trongly classified as cash. The firm subsequently resigned the

Internationally it is his job

"Justavhere. dowouthink votinegome to. dindarobas -an accountant E6000ana

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one meats eszofeouiste. WHIESORY.

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## Hurdling the exams

of failures as simply not worth while. In the UK's formal education system, however, a course which had enough failures to satisfy the French would be not only shunned by

to maintain relationships within

last year by the forging of links

with the big Middle East firm

of Saba and Co., which had broken away from the more

centrally run Arthur Andersen. Mr. Baker is an administrator,

with no personal client work. He has not taken part in activi-

ties within the English Institute.

hough he points out that the

provided three presidents of the

Touche Ross worldwide

Nobody can be sure why the general attitude among British outh should be marked less by ambition to achieve success at a price than by anxiety to avoid failure at all costs. But the trait is liable to become increasingly important Britain's professional institutes of accountancy.

Led by the Institute of Chartered Accountants of Scotland, these bodies have become increasingly reliant on formal educational institutions and eriteria, both for their professional training and for their in-takes of students. In general the minimum level of education required for acceptance as an accountancy trainee is two passes at GCE A level—the same as for university entrance. But a rising proportion of each year's new trainces consists of graduates. Of the 4.973 student members accepted last year by the Institute of Chartered Accountants in England and Wales, for example, 67 per cent had degrees from universities or polytechnics.

#### Lower

By the same process the professional bodies have become increasingly academic in character but with—in the case of the accountancy institutes responsible for the greater part of the annual intake-one notable exception. It is that the rates of pass in their qualifying examinations are a good deal lower than the rates which would be acceptable in the UK's formal education system.

CAREER - MINDED French only roughly estimated. In the levels of formal education. The youngsters are reputed to look England and Wales Chartered average annual increase of on any course of training which Institute, which with 66,000 graduate trainees, in particular, does not have a high proportion qualified members is bigger than has been about 31 per cent. But would be not only shunned by the potential students but also may well be a still higher total probably closed down by the fedure rate in the 20,000-strong educational authorities.

Association of Certified Accountants, which evidently have preficularly high percentmay well be a still higher total sporadic, if not declining. has a particularly high percent-age of student-members from

> of those intitially accepted as students. This in Itself is no higher than the pass rates in the GCE A level exams where, in the most popular subjects, the award of the various pass grades is primarily decided according predetermined statistical norms-the highest marked 10 per cent are awarded an A grade, about the next 15 per cent a B, the next 10 per cent a C. the next 15 per cent a D, and the next 20 per cent an E which is the final pass category.

But A levels are an inappropriate comparison. The most suitable formal educational education and examination policies. These are far from the accountancy policies. But A levels are an inaporosuitable formal educational yardstick for the accumiancy results is the outcome of degree examinations, where the eventual pass rate is about \$4 per ceni.
Moreover, the loosely esti-

mated eventual pass rate for accountancy is not publicly prominent. The result which draws attention is the propor-tion of those entering the final qualifying enams who pass first time. In the latest finals of the Institute of Chartered Accountants in England and Wales this was 27.5 per cent for graduates, and 23.2 per cent for non-graduales. The total percentage of passes among entrants for degree-exams is more than 90 per cent.

appearance of extreme difficulty has not prevented a remarkable growth over the past decade in How many students never the choice of accountancy traincomplete their training can be ing by youngsters with high

average annual increase of

#### Sharply

From the mid-1980s, however. the numbers of people emerging from education with two A-level passes and degrees It appears likely, therefore, that the overall "eventual pass will fall sharply in train of the rate" will be 60 to 70 per cent reduced birth-rate. So it appears reduced birth-rate. So it appears that the accountancy institutes will face hardening competition for trainee recruits not only from other forms of employment but also from each other. And amid that competition the relative difficulty of a profession's or a particular institute's qualifying process, as seen by youngsters in formal education,

could well be decisive. How the institutes prepare for this development remains to be seen. But if they are to be fair to their student-members, the only response surely lies in a Opinion among the perfect. private colleges which prepare accountancy students for their Wales Chartered Institute unnecessarily burdens its trainees with theoretical study for papers which are inappropriately academic, and that the Certified Association fails to ensure the provision of adequate training for all but a minority

By comparison the Institute Cost and Management Accountants is said to have a qualifying process which is "just about right." So in the interests of their trainees and or cent.

Of their own future growth, the
It is true that accountancy's other five bodies should perhans sink their pride and go and do

> Michael Dixon Education Correspondent

# opportunities must be worked for

The Inspectors Report

What accountants will be reading this Friday.... and the next, and the

next. and the next, and the ne

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field in the UK or abroad.

Key questions on leadership IT IS commonplace today to view approach was thought prising only that which is dealt largest firms in the UK, for proportions, hear people in accountancy talk much better—and far safer, no with through the professional instance, it is apparent that Nevertheless, about the shortage of leaders in doubt. instance, it is apparent that Nevertheless, within the advantages, and so it has those senior partners who accounting profession it is manage to combine a successful widely alleged, with some truth, career in their own firms with that the big accounting firms Auditing standards were un-eard of 15 to 20 years ago. Accounting standards, pos-

hear people in accountancy talk about the shortage of leaders in the profession. They remember all the good points about the great leaders of the past, and ask how the profession is going to present itself to the public in the years to come, when pressures on auditors and accountants generally are expected to

It is easy to see why such questioning should arise in the late seventies. After all, the British accountancy profession has been through tough times over the past few years.

accounting standard setting process has increasingly come into con-troversy the profession's efforts to introduce systems of inflation accounting have so far come to nothing, there was the humiliating defeat for the establishment when members of the English Institute of Chartered Accountants voted over-whelmingly in 1977 against making any system of cost accounting mandatory, the reputations of auditors have slipped significantly (following the rush of Department of Trade reports after the secondary

banking collapse).
Furthermore, efforts to intro-duce auditing standards have so far come to little while the profession is becoming increasingly divided between the major accounting firms—which run their affairs like multinational businesses, with all the business development practices con-sidered normal in commerce and industry-and the traditional smaller firms, which still aim to provide a general service to individuals and smaller

Altogether, it is a far cry from the sixtles when even the largest firms of the day would be considered medium-sized and probably on the way out, by today's standards. Then the pressures on accountants and auditors were far less. Accounting standards were something

heard of 15 to 20 years ago. profession progressed in cosy Moorgate Place.. comfort with the then profes- The ASC cha sional Press. What the leaders said, went. It was reassuring to be an auditor. Writs for profes-sional negligence claims were hardly admitted,

#### Course

The Companies' Act and case law was the basis of most accounting and, certainly, the auditing text-books. It was normal to become a chartered accountant in the '60s simply on the basis of a Foulks Lynch correspondence course, occasional visits to the local students' society for those who wanted a little extra.

As the 1980s approach, all that seems almost another world. As an organised profession, accountacy is still only about a century old and there has probably been more progress in the past decade than the previous 50 years.

Accounting and accountants were then accepted far more on their own terms than they are nowadays. There was little or no attention to accounting matters in the Press and the matters in the Press, and the to distance itself further from

are going the same way: there. McLintock fall into the more accounting firms to keep in is a joint committee of the traditional mould.

professional bodies, entitled the In the case of each of the the business world. To take one are going the same way: there is a joint committee of the traditional mould.

professional bodies, entitled the In the case of each of the Auditing Practices Committee, latter it is probably easy to see how the combination of the profession and area of discipline, the same thing is about to happen. Though the English Institute

Chartered Accountants still holds sway on just about every- of accounting managing directhing that happens in British tors for senior partners. accounting, the power of its president has diminished a great deal. There is no way, probably, that he could take public issue with the chairman of ASC and expect to be

within the Institute it would tute they will get the profession appear that the changing they deserve," is how one demands of professional firms English Institute official put it. have restricted the numbers of Today, the accounting pro- top quality partners prepared to sible future presidents for the fession and accounting matters give their time to Institute Institute, he felt that the can no longer be seen as com- affairs. Looking at the seven problem was not far off crisis:

career in their own firms with that the big accounting firms outside involvements in pro-still control the affairs of the

in the minority. Young, Deloitte Haskins and ing firms will freely admit that Sells, Price Waterhouse Touche they have allocated so many Ross and Ernst and Whinney The ASC chairman, if any- are distinctly in the adminithing, has become the most strator category; only those important public man in from Coopers and Lybrand, Peat accounting. Auditing standards Marwick Mitchell and Thomson

> internal practice administration has been achieved. The point is that these are more the times tors for senior partners.
>
> But why should senior.

partners give up valuable time for the sake of the profession as a whole, when the competition is getting on with the job? The only answer to this is to be regarded as the authentic found in the overall status of spokesman of accountancy. the accounting profession itself. spokesman of accountancy. the accounting profession itself.
While this process of fragmentation has been taking place their best men into the Insti-

Looking through the list of pos-

fessional affairs, are decidedly English Institute, which is by far the most important of the The senior partners of Arthur professional bodies. All the lead-

to Institute activities,

generally as part of the practice

development programme.

Apart from this, however, it makes a lot of sense for simple example: many Government and City issues are passed round for private consultation among the professions and representative bodies long before they reach the public eye.

#### Crained

Another indication of what is to be gained from having a man at the Institute. particularly somebody on the Council or the Accounting Standards Committee, is provided by off-told stories about minutes belog tories about minutes belog circulated within firms after meetings. It can be very useful for client purposes to know precisely what is happening on a particular proposed accountstandard

Internationally, where today there is so much more emphasis, a seat on the Institute's Overseas Relations Committee would

control of major firms, all with major international connections. The point is that involvement

Financial Times Tuesday July 3 1979

with Institute professional affairs need not always be the one way process it is sometimes made out to be. A seat on an international committee, such as the International Federation of Accountants, would seem audeal way of doing a "crammer" on international accounting on international affairs indeed, the present chairman of IFAC, Mr. of Deutsche Goerdeler, of Deutsche Treuhand of Germany, would

probably say as much. British accountants, as with all professional men, are extremely conscious of their professional status. The changing face of the profession has reduced the number of senior partners who can devote time, to professional affairs.

Increasingly, it would seem that the job of the senior partner is becoming that of a managing director. He is more and more unlikely to have clients of his own-instead, the men who are chosen (by the practice development-minded senior partner) for institute affairs today are more likely to be technicians, rather than those dealing directly with

M.L.

## Debate on auditing rules

standards were incapable of the Americans had allowed application to the smaller comthemselves to be conned into pany. The result, he argued, was that the standards should issuing. The "true and fair" be filed away until smaller companies are legally exempt from the audit requirement,

> The implication of Mr. Davison's reasoning is quite startling: he is saying, quite simply, that there may be hundreds of thousands of companies in Britain today which are receiving unqualified audit opinions which they would not be entitled to if the proposed standards (which do not seem particularly onerous by international standards) were in force.

Mr. Davison went on to suggest that many of the smaller proper books of account, as remanies and that there are, therefore, cholesale violations of the Act. Ian Davison is not the first

accountant to come to these conclusions, though in typical style he is one of the few willing to express his views in public. The underlying issue is dynamite in the accounting profession. For if the audit requirewere to be removed for companies, the vast majority of accounting firms up and down the country would probably

senior partner of Arthur Ander-sen UK, said, in an article, that up with the idea of the "re-the proposed new auditing view," a sort of mini-audit, which all small companies exempt from the audit would

have to have. In practice, it is suggested. the review would involve little change in what most auditors are doing at the present time. On the other hand an advantage it would bring, so it is said, would be fewer negligence claims.

Until the company law position becomes clear, the status, and certainly the value, of the proposed auditing standards, will be in doubt, As events stand, the UK is increasingly looking the odd-man out in the auditing standards area. The profession in the United States has had such standards for 40 companies may not be keeping years, they exist in Canada and Australia, and even the German profession has had

As the situation stands, the guiding light for the British auditor is that beautiful phrase in the Companies Act, which says that accounts shall give "a true and fair view" and the auditor must state in his report whether, in his opinion, they do. There is no definition of what is true and fair, though small, family-owned and man-aged (so-called "proprietary") that the growing body of that the growing body of accounting standards provide a framework within which most accounting policies could be assessed for truth and fairness.

of conventions.
In such a changeable and

A FEW months ago, Mr. Is solution for all these firms, the looks very odd, in practice, if that the auditor's opinion has a than 10 per cent. This would an auditor says a company's potential double value—both in obviously be a material difference partner of Arthur Andering Practices Committee came accounts give a true and fair the sense of saying whether the ence and auditors might be view using one accounting. policy for, say, currency translation in year one, another in ing an opinion on the appro-year two, and possibly reverting printeness of the overall-collecback to the old policy again for year three.

The problem arises with new accounting standards: what is true and fair one year is not the next, and in practice both finance directors and auditors seem willing to stretch this one as far as it will go.

If accounting standards are constantly appearing, such diffi-culties might appear to be merely a passing phase — pro-vided there is some logical basis for the whole accounting approach, enabling auditors to judge in areas yet to standardise what is in line with the underlying convention.

#### Reconcile

no longer an agreed underlying convention. It appears to have been, though nobody says so, the notion of historic cost. But there is no way that some of today's accounting standards could reconcile with this.

In addition, an increasing number of companies have been adopting quasi-inflation accounting adjustment in their main accounts, suggesting that it is acceptable to produce accounts according to a variety of diffierent conventions, or mixtures

the sense of saying whether the figures follow all the stated accounting policies, and expresspriateness of the overall-collec-tion of policies.

The latter is something most . auditors appear to shy away from. They say, quite rightly, that the accounts are those of the management and that, in any case, it would be a foolish auditor indeed who would lay his head on the block by saying that one set of policies was appropriate, while another set

The issue is not unconnected. with the question whether the true and fair view should be assessed on the basis of the profit measured on the face of the income statement, or on the basis of the income statement in the notes. The matter Department of Trade inspectors'

report on Court Line. Another aspect of auditing there is an independent inquiry. which deserves mention is the When suditors are criticised concept of materiality. There as a result of such inquiries, extent of errors or nondisclosure in accounts according to whether the item concern is

In other words, it might be that by adopting a different stock valuation policy than that allowed for in the relevant accounting standard profits for This is all very well. But it uncertain world it would seem the year are overrated by more

expected to qualify their opinion on such accounts.

In practice, of course, there is no definition, or even limits for what ought to be considered material. Different accounting firms most probably have different ideas on this. Indeed, it is said that wille one of the major firms is an enthusiastic backer of tough accounting standards, its approach on audit is to take a broad view of materiality whereas another firm, which tends to favour flexible standards, is much more willing to qualify on the basis of material differences from standards.

It all comes down to saying that auditing in the UK is still totally an area where the auditors' judgment is paramount. There are no rules for good audits, and there are precious as adjusted by any items shown few ways in which a shareholder can determine whether an auditor is doing his Job. That normally has to wait until the company lands in trouble, when

are many references to this in one of their usual defences is the Companies Acts, and that the inspectors are apply-auditors generally look at the ing hindsight (and today's standards) to work carried out years ago when different standards. applied. This will remain a perfectly viable defence until the UK accounting prefession is forced towards the issuance of definitive and binding audit standards.

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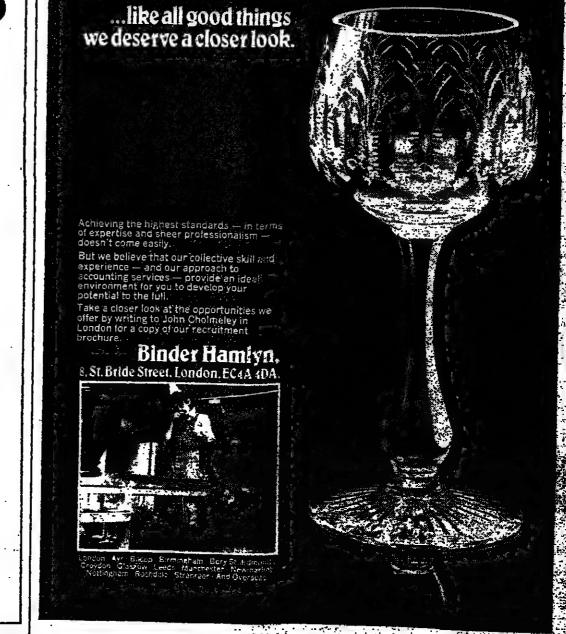
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## TO STATE OF THE PARTY OF THE PA UK still leads the field

BRITISH ACCOUNTING is still five further exposure drafts—approach to extra-statutory distinct best in Entire, but not by There was not however, a closures than were those of the much, and British reporting great margin of superiority over British companies traits behind the standards of the Swedish and Dutch comdisclosure and presentation panies (though the general from countries like France, often achieved by hig Con standard then fell more notice. Sweden and the Netherlands are tinental companies. That is any for the other countries), leading the way in newer, and the broad conclusion to be Broadly the 15 British com- sometimes more controversial, gained from the recently publicances showed few exceptions areas. These developments

The silvey covered the angles while in several cases depreciation as reports of 15 of the largest from methods were not distributed. British enemonales along with closed a mind of companies are developing the concept of the reports of the multinationals Royal country butch multinationals Royal country butch multinationals Royal country bresen sample which included reports the firm as dozen countries and of the fifteen companies and this be?

Tan of the fifteen companies should this be?

One reason is that British

antogether in Europe published supplementary state published supplementary state ments designed to reflect the basis of marks scored in impact of inflation on the scored accordance with gelected results. If was noted that most criteria. This three no the result like companies that firee British companies ing rate method for currency translation. One point for the highest ICI, could only manage mimber six. The other two were panies were very forthcoming in the area of pensions accounting. Industries In minth position.

Another interesting conclusion with only the very largest commerce relationship between the last of panies. It round not shed any length of European company

against the variaticks set by the hearly the lowest quality requirements and proposals of This clearly fied in with the International Accounting another obvious feature of the Standards Committee. Up to the reports in the survey. The Con-end of 1978 the IASC had published nine full standards and much more progressive in their

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ession lished 1979 Financial Times sure from IASC standards though it include employment for person-tion vey of 100 major European emerged that most UK com-me to companies reports and panies did not reveal the cost prospects, and reports on formula for stock valuation research and development formula for stock valuation. The survey covered the annual while in several cases deprecia-

mat Tunes Tuesday July 3 1979

panies. It could not shed any length of European company panies it round not shed any length of European company to have attained by the broad mass of accounting information they lead by listed and unlisted companies:—contained. Annual reports from the Certain clear conclusions the UK checked in at an imputed emerged from the study of the average 35 pages. The overall institute 100 companies: The British com European average was 57 pages, likely to panies as at whole provided the But the Italian reports reached in most advanced accounting an average of 32 pages and were information, this being judged generally reckoned to be of very against the varieties set by the hearly the lowest quality.

activities.

One reason is that British companies tend to have many more individual shareholders than their European counterparts. They are therefore concerned about the sheer cost of printing and posting bulky documents. The skimpiest report out of the 100 was that of Great Universal Stores at only 23 pages, while GEC managed to cram the information into 28 pages,

It is interesting to note that British companies do not have the ability of some Continental groups to send out a condensed report to shareholders and reserve the full report to a more restricted readership.

But there are suggestions from parts of the UK account-ing profession that the idea of the simplified report should be developed. Shareholders have often complained in recent years at the growing indigestibility of annual reports, which have become more complex partly because of the increasing requirements for statutory disclosures and partly because of the profession's imposition of more and more accounting standards. The new current cost exposure draft, for instance, calls for supplementary current cost profit and loss accounts In contrast, some European and balance sheets. This can companies include comprehenonly add to the length of annual reports.

panies have been reluctant to other information. However, make the problem worse. Mean- among the British companies while they have often been both BP and Marks and experimenting with simplified Spencer devote a full page of

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But while British companies have been concentrating their efforis on separate employee reports, they have been lagging in their coverage of employment questions within the annual report itself. Many companies limit themselves to the statutory requirements, which cover the average number of UK . employers aggregate remuneration, and the numbers falling within certain income bands. Incidentally, inflation has now brought many more employees into these £10,000bands which plus were originally designed to catch only the very highest paid senior managers.

In contrast, some European sive information on numbers of employees, hours worked, pay. In these circumstances com- productivity and a great deal of

Excludes ancillary staff such as secretaries. The figures in this table are based on information

Another challenging area is that of statements about prospects. Some of the Dutch and Swedish companies set the standard here, giving the directors' views on the development of demand and its impact on sales and profits for the year shead. But nine of the British companies said nothing about prospects, and those that did often commented only in a vague way.

In several of the financial areas of disclosure and presentation the British reports did well, however. In segmental reporting, for instance, the UK companies emerged as being much in advance of the remainder (apart from the two international companies). All UK reports featured segmented data, which in general was well presented

appeared to be enthusiastic. Added value statements werea comparatively common feature given by 7 out of 15. Only the Germans did better. But it is

annoying that the two countries calculate added value differently -the Germans do not regard value but the British do. In all, just a quarter of the 100 companies made a good effort at producing an added value statement.

Estimated

gross fee

income 1978-79

32.0

29.5 27.8

21.5 21.3

3.2 3.0

As for speed of publication, the British annual reports were produced with close to the average delay. The measure used was the time to elapse between the financial year-end and the date of the audit report (if it carried one). The UK reports took 98.5 days on average, against an overall average of 97.9 days.

There were, however, some puzzling discrepancies. Marks and Spencer managed to produce its report within the impressive schedule of 33 days, whereas it took another retailing, group, Great Universal Stores, no less though not all companies than six months and 28 days.

1979 Financial Times Surrey of the British reports, being of 100 major European com-

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## Privileged companies

THE CONTROVERSY which what the auditors will allow bank failures over the decades of the true state of a bank's surrounded the recent "fuller them to do. It seems to amount disclosure." by the clearing to some understanding that banks of their bad and doubtful the published figures should interest in some quarters in group includes banking, dis- upturn. count, insurance and shipping

companies.

drawn by statutory instrument in 1970 when the banks claimed to have disclosed true profits for the first time. In recent years doubts have been cast upon this, not least by the Price Commission report on bank charges. Essentially critics of the banks say that their so-called general provisions are not provisions at all at least not all of them. Instead they are thought to be reserves, which means they are su undisclosed part of capital, or shareholders funds. What the clearers did in their last accounts was to reveal the

the general provision is used by some clearing banks as a means amouthing profits from year the banks deny that this is so, though it is only fair that the come banks? ne clearing banks as a means standards. to say that some bankers are repared to cast doubt privately the general provision's estification.

sidering their position on this statter at the present time What accounts users are hoping for is a move to split the disand specific provisions, with all movements therein also revealed Individual senior inkers are in favour of this. mit progress may be delayed inal all are agreed on what to

On the other hand, there are

The clearing banks are recon-

sose, possibly the majority among the top europe that British banking, who argue that the top echelons of hanks are special creatures deserving of their own account-ing treatments. They point wastfully to the members of the Accepting Houses Committee, the traditional London mer-Chant banks, who still enjoy the. to growing fears among central exemption under the Companies Art Certainly the accounts of some understanding, and many, including merchant bankers, would say the amount of the effort. In some cases Baring Brothers is an example the merchant banks make no pretence at showing true dividend and call the same. The underlying justification amount the profit for the year.

debt provisions has rekindled reflect the underlying real profits trend over the years. those highly privileged com-panies which are granted the that in a year where profits are right under the Companies Act really up 50 per cent the not to reveal their true profits auditor is happy with only the from one year to the next. The slightest indication of an Many merchant Danker would say that they do not In the case of the clearing

expect their privilege to remain banks the statutory exemption for many more years, though no longer applies. It was with-naturally they will seek to retain It as long as possible. They express concern at proposals for a bank accounts directive from Brussels. But indications are that this leaves the whole matter of secret reserves and profit smoothing wide open.

Whatever may be said about British bank accounts the same is true, indeed more so, in the case of banks in probably every other country of the world apart from the United States. Even in Canada it is still not a legal requirement for banks aggregate amounts of what they to consolidate all subsidiaries (the rule applies only to wholly-debt provisions. The disclosure owned subsidiaries), let alone was generally thought to be of associates. This position is now about to change, and experts predict that the new long harboured suspicions that law will take Canadian bank accounting well up to U.S. accounting well up to

#### Moves

The banks will also need to keep an eye on international moves to improve the quality of their accounts. The International Accounting Standards Committee (the London-based body which is seeking to develop international accounting stan-dards) is about to publish a discussion paper on the subject of bank accounts in association with the so-called Basle Committee—the Group of Ten Central Banks and Switzerland. The paper is believed to make clear that bank accounts which contain excessive provisions and secret reserves cannot present a fair view. However, a section on windowdressing, the practice of arrang-ing year-end artificial transactions (which are reversed after the balance sheet date) to alter the accounts has been dropped after some protests.

The IASC initiative is related banks, particularly those of the U.S., Germany and Switzerland, tiese merchant banks take about the lack of control in the Eurocurrency market. counter this, proposals have been made for the introduction infermation to be gained from of reserve ratios for interna-lopking at them is hardly worth tional banks. This in turn has led to demands that banks should be required to publish consolidated accounts—a move which the Swiss central bank is profits. They simply disclose the said to have taken a year ago.

for the privilege to create secret It is not clear how individual reserves, be it in the accounts auditors judge truth and fair of banks, insurance companies ness (the accounts are not or shipping companies, is the required to give a true and fair belief that this is essential for view) in a merchant bank's the maintenance of confidence. accounts. People in the banks. The argument can be seen at themselves will say that they its best in relation to banks, are considerably restricted by and it was because of all the

that the exemption appears to performance, including all the liave been thought of. Today bad points, or whether it prefers banking is still an uncertain to be left guessing. There is business, and bankers are not a lot to be said for the view men to trust in politicians, that had news always gets out Their experience is that things pretty quickly. In that case go wrong, on average, every now

holders, investors, depositors, own decisions. the public-has to answer is

pretty quickly. In that case privileged accounting rules and again. - simply cushion management The question society—share- from the consequence of their

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#### ACCOUNTANCY VIII

# Recruitment still at a high level

WHEN THE Government cies among their own profes-announced its general ban on sion. which has consequently public-sector recruitment, an acquired a reputation for re-anonymous official at the Civil markably high job security. This Service Commission struggled may well explain the growth of which is generally the minimum output of full-time education, or the reducing and simplifying of 10 per cent of those who leave education with two passes at plished to a significant degree,

hard to find some bright side to of interest in accountancy qualification demanded for look on. "There will be exceptions to the ban, of course," he young.

tions to the ban, of course," he young. told me. "Indeed the first of the exceptions will probably be approved by Ministers, and the

pecting that I already knew the answer. And sure enough, .I did. "Oh, they'll be for accountants," the official replied.

The month or so which has increased to 2,794, or about 9.6 followed the above conversation per cent of the corresponding has further reinforced the imhave to be an almost incredibly ill wind that failed to blow accountants any good.

Reports from university camin general, recruitment is still profession as a whole. proceeding merrily for some areas of central Governmentnotably the Exchequer and Audit branch. Local government also now appears to be cutting its previous orders for new graduate recruits, with the prominent exception of some hundreds needed for accounting

Asked to explain these phonomena, an expert on graduate-recruitment scarcely hesitated before replying: 'Well, I expect central Government and local councils think that they will need more accounting staff to help them to work out how best to cut back on employment in tion of Certified Accountants or other kinds of work." If so, the public sector is merely following agement Accountants, many of the example set by the private these after taking up relevant sector where marked increases in recruitment of accountants at In addition, some 500 take up particular times in the past similar work in the public serdecade, have been the preludes vice with a view to qualifying to extensive dismissals of managers and other kinds of wor- Public Finance and Accoun-

But the savines of manpower calculated as necessary by the six main bodies' intake of mise the minimisation, and so accountants rarely if ever seem trainees must now account for on. to include noticeable redundan- about 1 per cent of the annual rebuttal of this doubt is that

Take for instance the num-

approved by Ministers, and the sity careers advisers to have examinations, of course. But followed graduation by entering at present pass-rates, it seems training for the chartered reasonable to suppose that the exceptions be?" I asked, susexceptions be?" I asked, sussuppose know it already know the about 42 per cent of the total already numbers about 120 000 about 4.2 per cent of the total who went directly into all kinds and is increasing by roughly of regular employment in the 4,000 to 5,000 qualified people UK. Last year, the number had per cent of the corresponding

pression that, where job pros-pects are concerned, it would the universities—which leave But the above figures from out of reckoning large numbers of graduates who have not notifled their careers advisers of till for individuals already their subsequent movementspuses indicate that while the greatly underestimate the Civil Service has frozen its annual intake of people into demand for new graduate staff training for the accountancy

#### Intake

The Institute of Chartered Accountants in England and Wales talks of an annual intake. which it intends to maintain, of roughly 4,500 trainees, of whom probably 3,000-plus are graduaates. Degree-winners doubtless make up at least an equal pro-portion of approximately 500 more youngsters who annually begin training for the Chartered Institutes respectively of Scotland, and in Ireland. A further 4.500 or so probably set out to qualify with either the Associathe Institute of Cost and Man- optimism. jobs in industry and commerce.

Far from all the trainees

ber of people known by univer- pass successfully through the already numbers about 120.000 a year.

Doubtless this expansion is just cause for uncharacteristic joility in the professional institutes. Probably, on the evidence of the exceptions from the public-sector curbs on recruitment, the expansion bodes no qualified or set to do so within the next two or three years. But what are the implications for the job prospects of those who will qualify in the middle to later 1980s when, if rates of entry continue at their levels, somewhere current between two-thirds and threequarters of accredited accountants will be aged under 45?

For a race of people commonly supposed to look on the darker side, those in the institutes are surprisingly cheerful in their answers to this question. Job prospects for accountants will continue to be buoyant for the next five to six years at least, they believe. And they do so regardless of the several provisos which an external observer might think reason for a considerable discounting of

One proviso is that the advent of a Conservative Government might spell the end to the spiral of work-creation whereby increasing and more complicated taxation has led to the employment of more accountauts to minimise tax, which in tancy. turn has led to the recruitment
Taken together, therefore, the of more tax inspectors to mini-

would have little effect on the job prospects. "You see, taxavoidance has never been and still isn't an important supplier of jobs for accountants. It's quite wrong to suppose that acres of them are employed to

A second proviso-the likely effect of microprocessor technology—brings an admission of probable changes in the pattern of demand for accountancy services.

#### Shift

"One might expect a shift in auditing practices which could reduce the need for people at Institute in England and Wales lower levels of skill. But for is already tentatively discussing the really well equipped, while straightforwardly industrial demand will probably be static at best, there will probably be a growth in intake for jobs concerned with the financial aspects of management, in overnmental work as well as in business concerns.

And that growth will probably be on an international scale, which is where the British-trained accountants have a particular advantage. As things are, multi-national groups and the like know that, skill for skill, they can recruit a UK accountant for a good deal less than they'd have to pay for similarly reliable people from most other countries.

"The result of our being a relatively cheap source is that a lot of members of the main UK institutes are moving up the management ranks of organisations spanning the world, and they'll not unuaturally prefer to recruit from the same source. Of the 66,000 members of the England and Wales Chartered Institute, for example, over 10,000 are working overseas -1,600 in professional practice and 8,500 in industry and commerce. And I'd expect the international demand to grow in addition to the need for more

senior people at home."

But this confidently expected

expansion of demand for people at the higher levels of skill implies a reduced need for qualified staff at junior level, which itself creates a problem of balance tricky enough to tax the most ingenious accountant. For how, given that experience is indispensable to the acquisition of high professional ability, can an increasing need for senior staff be reconciled with a reduced requirement for

junior people? The obvious answer lies in an extension of the minimum period of training required before a student member can become qualified. The Chartered an increase from three to four years in the minimum training period for graduates whose degree-subject is not directly relevant to accountancy. And as the pattern of demand for qualified staff changes over the next few years, one might reasonably expect proposals for extension of the training period required of other types of entrants and by other pro-

fessional bodies. This, however, raises an even difficult problem of balance because any extensions of minimum training would probably have to coincide with a sharp reduction of the number of graduates and Advancedlevel school-leavers coming from education, in train of the declining birth-rate. accountancy institute which unilaterally lengthened its training period would surely suffer a disadvantage when competing with the other bodies for a smaller supply of potential recruits. But even if all six institutes extended their training periods equally in concert. acountancy would be at a competitive disadvantage in the recruitment market to other

Michael Dixon

# Smaller firms are not submerged

WHILE THE growth of big in- firm members of the ICA ternational firms and the general council. struggle of their medium-sized counterparts to keep up have been the dominant themes in recent years, the rule of smaller practitioners in accountancy

should not be overlooked. There are at least 12,000 of them dotted around the country-at least that is the number of practices with five or fewer partners according to official estimates. It is, however, unsatisfactory to define smaller practitioners in terms of size alone. Some London firms, for instance, might have only a handful of partners and yet be experts in some specialist field.

Smaller practitioners are best described as those people who deal primarily with the needs of a locality—family businesses. farmers, pubs and shopkeepers -whose work consists mainly of accounts preparation, personal taxation and general financial advice rather than large com-

In an age of corporate mergers nad centralised administration, small enterprises of all descriptions have been finding the going increasingly tough. The accountancy profession,

however, is an exception to this broad generalisation and it is arguable that the most successful practices are either very big or very small. The outlook for the minnows, in spite of their problems, is surprisingly healthy.

Profits, for instance, are good -thanks to high margins- and demand for their services is strong, while at national level small firms are getting much more recognition than in the

#### Earnest

The change in attitude started in earnest about four years ago: before then the difficulties of smaller practitioners had been largely ignored. In 1975 the Institute of Chartered Accountants finally responded to criticism that it had neglected the
needs of the less mighty. A
working party was set up to
look into the allegations.

Evidence for Chartered Accounfinancial work as well as pure
accounting and tax." says one.
Whatever the reasons, which
clearly vary from firm to firm,
there appears to be plenty of
work for everybody. Even if in

that smaller firms were finding ment is the envy of some.

it difficult to train staff and that Not everything, of course, is it difficult to train staff and that technical education and publi- as rosy as it looks, Apart from

quent debate was the establishment of the Smaller Practitioners Advisory Committee quality staff, (SPAC), consisting of representatives from each of the 21 district societies plus nine small

Nobody pretends that small has suddenly become beautiful but at least this Committee attempts to ensure that the needs and views of smaller practitioners are kept in mind. The popular idea that smaller firms labour under an unremitting deluge of difficulties is nevertheless refuted by Mr. Peter Dallow, chairmen of the SPAC. "Those who think we are surrounded by a ring of

problems are perpetuating a myth." he says. "Admittedly, the introduction of VAT brought with it a whole new range of problems but more recently we have had a bit of a respite. Two Companies Bills failed to reach the Statute Book and Mr. Healey's last Budget was pretty quiet. All in all there has not been much significant new legislation in the last couple of years."

This situation may well of course change with the government—changes in capital taxation, for example (Capital Cains Tax and Capital Transfer Tax) will be needed if Mrs. Thatcher's administration is to honour its election pledge.

The reasons for these booming market conditions are

market conditions are difficult to pinpoint. According to Mr. Dallow, the family busi-ness, the village greengrocer and the local farmer value the independence and intimacy of the smaller practitioner. Better the local man, they say, than the regional office of a big London firm which might not be particularly sympathetic to their "trivial" problems. On the other hand, one central London firm, with four partners,

attributes its recent record of doubled profits in the last two years to new tax work and a greater demand for book-keeping services. Others draw attention to the ever-widening variety of services which clients require. "It seems that we are doing more and more general financial work as well as pure

look into the allegations.

Evidence from the inquiry many cases profits merely keep suggested, among other things, that smaller forms of the control of the

city were primarily goared to the extra understanding which the international firms.

the extra understanding which will be required if changes are The outcome of the subse- made to the structure of capital It increasingly difficult to attract

school-leavers with a couple of CSE passes, but today something like two-thirds of the student intake to the accountacy profession are graduates. Graduates command a higher price tagthey are generally older and academically better qualified—and for this reason there is growing reluctance on the part

money to training.

This trend has serious implications for the future. Peter Dallow, for instance, wonders where the next generation of partners will come from and believes there may be a "suc-cession problem" in the next few years. "There is a strong reluctance on behalf of many people to move from large firms to small. In any case, if they do, they will probably need to be retrained, since trainees in big firms spend most of their time on audit work, he says.

Smaller practitioners also point to the dilemmas they face in the areas such as ethics and accounting standards.

One London firm describes the Institute's recent ethical guide as no more than a "minor pin-prick" but its senior partner clearly feels that some of the requirements are un-necessarily irritating. For example, accountants are now not allowed to hold shares in companies they audit, a rule which seems perfectly appro-priate in the case of a large publicly quoted concern but which is hardly relevant in a

small private company.

Accounting standards are perhaps of greater significance. The debate over current cost accounting has been of par-ticular interest to smaller praccerned that many of their clients will be forced to produce separate inflation accounts The SPAC has been pressing the Institute to exempt smaller businesses from some of the

provisions of ED 24. Peter Dallow does, however, detect the appearance, in the form of competition from the threatenting storm clouds on the horizon. Smaller practiioners in a number of areas have reported a numbe cases where branch banks are offering clients an accountancy

service. For the moment, however, smaller practitioners should see continued demand for their services and further prosperity

Tim Dickson



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# Battle of the white collar unions

BY ALAN PIKE

THE BETTISH Electricity policy, was overshadowed by a professional employees is Council made no attempt to discussing confrontation with the fundamental to EMA thinking guise the automat of distription raisers. If did however, show and to its case justifying the the industries 2 000 power that the power engineers are existence of a separate union engineers; could cause when prepared to engage in induscatering for such staff. A good,

areas of industry. Today pro mandal workers in the industry fessional employees are coming These have been croded during under increasing pressure to recent years of pay controls. join unions and the prospect of their fighting for their interests is a much more organised and determined way than in the past is a growing feature of indus-

The executive of the Electrical Power Engineers Associpart of the Engineers and Managers Association will meet today to determine the meet today to determine the Mr. John Lyons, its general level of hardship it is presented to killed in support of a some of the most powerful claim for increases of between to broaden the hase of his wirkle is improbable and could union's origins in electricity not. In any wase he is made to a support of a support of the hase of his union's origins in electricity annotation. strike is improbable and could union's origins in electricity not. In any wase, he improbed supply enabling it in represent without a ballot of the member, and co-ord managers through the engineer in ated action well short of a managers through the engineer ing and related industries. Some strike would despinistrate that other unions do not look favour this is one area where the proper ably on this ambilion. There is no suggestion that both real power and trade anion to connected with the EMA's other artivities the timing was determined by the end of pay

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talks on their puy claim bruke trial action something that down. feaders of professional groups down. leaders of professional groups

They can choose the level tennor always take for granted of hardship which night have and that they can do so very to be endured by monestry and effectively. Generating board the public the countil said officials admit that simply by when the profession manual sanctions such as banning over-

When two winters ago manual stactons such as banning overworkers in key one stations time and telusing to work fleximole industrial action the effect bility agreements, the engineers
was ultigated by the fact that could quickly have a devastatthe engineers who operate the ing effect
grid and distributed system. The lenders of the power
lept working mornally. The engineers have rejected an
same rained imposs in reserve.

Technological developments Sounds says is worth 16-18 per
technical engineers in each but, according to the union,
power of reality effective indes will far most men be worth
trial action opwards through only 15 per cent this year and
the structure and into the hands.

15.75 per tent in a full year,
of highly skilled professional. The union accesses the electricity
and technical staff. Until boards of going back on an
receptly that nower was unlikely agreement dating from 1974 to
actually to be applied in many protect pay differentials with
areas of industry. Today promanual workers in the industry.
fessional employees are coming.

#### Crucial fime

The threatened power engineers disjust temes at a crucial time for the Engineers and Managers Association—at the moment probably the most controversial union in the TUC.

trial action by the power en determined by the end of pay gineers during Phase Three of policy. But the argument

convincing win in power supply -where the EMA has industrial strength-could do its wider credibility nothing but good.

The outcome of the dispute between the EMA and other TUC unions will do much to determine the way in which middle class trade unionism develops for many years to come. Stated simply, the EMA believes that the special needs, interests and responsibilities of professional employees must be catered for by their own separate, non-political union. The other view-voiced most forcefully by TASS, the white collar section of the Amalgamated Union of Engineering Workers-is that the requirements of such staff are best met it and other established unions, albeit through special sections and arrangements.

A majority of public sector professional engineers are trade union members. Many belong to TUC-affiliated organisations like the National and Local Government Officers Association, the mined by collective bargaining.

was affirmed last month by the tions—a professional body—in the second edition of its publication Professional Engineers and Trade Unions.



Mr. Ken Gill, of the Engineering Workers (left), and Mr. John Lyons, of the Power Engineers.

Servants, and the National rich pickings, both in including Servants, and the National rich pickings, both in including Servants and Teachers in and prestige, waiting for some unions if the council's campaign unions if the council's campaign sional engineers in the public themselves organised is successfrom being the only TUC-Union organisation is far affiliated union which meets all weaker in the private sector but the council's criteria for suitathere is certainly outside the bility in the private sector. The Engineering Employers Federa others are the non-affiliated tion—a widespread view that United Kingdom Association union membership is desirable of Professional Engineers for professional engineers. This (UKAPE), and the Association Engineers of Management and Professional Council of Engineering Institu- Staffs (formerly the Association of Professional Scientists and

Technologists).
The council is concerned that unions should recognise the With only about one in five "integrity, independence and the Heath Government's pay about pay differentials for of private sector engineers responsibility towards his job

currently in unions there are shown at all times by a conrich pickings, both in members scientious professional man and his concern for the long-term welfare of his company and for the public interest." This does not mean that the council is sector have their salaries deter- ful. At present the EMA benefits suggesting that professional people should never take industrial action—but it believes that it should happen only after all attempts at mediation have failed and should be supported by a substantial majority of those involved in a secret ballot.

The battle to recruit privatesector engineers is at times conducted with considerable vigour. Lest month Mr. Lyons attacked the TASS leadership in the sort of terms which, by unwritten law, are simply not used by one TUC union against another, accusing it of "jack-

Sir Kenneth Cork, Lord Mayor

of London, lunches with chair-

men and committee of Auto-

mobile Association, Fanum House; dines with the Arch-bishops of Canterbury and York,

St. Helier, Jersey,

boot trade unionism." He did his best to open up what he clearly sees as a credibility gap between the TASS leadership under Mr. Ken Gill, general secretary and a leading member of the Communist Party, and the typical professional engineer. British angineers and mana-

not be forced into a Communistled union. The Engineering Employers Federation got the sharp edge of Kr. Lyons's tongue in the same speech with an allegation that it was keeping TASS as the main union for for long looked a natural senior staff in the utterly cyni- marriage.

cal hope that none would join. The EMA has scored some notable successes in its drive to white collar section and draft establish itself as the natural amalgamation terms could be

union for engineers and man- published any time now. agers, particularly given the earlier this year when, rejecting correct or Engineering Unions, British Shipbuilders granted national Allied Industries Management professional engineers. Association of the EMA.

industry's non-TUC staff associations, BACSTAFF, is under way and a second is in prospect. However, this step forward has step back. No sooner had the EMA agreed merger terms with BACSTAFF than the British Aerospace Warton division management granted full negotiating rights to its arch-rival. TASS, in terms which preclude recognition of any non-Confederation body.

federation body.

The EMA would like to consolidate its position by getting into the Confederation, the powerful umbrella organisation which co-ordinates all engineering industry unions. Mr. Lyons has said that it will apply for membership when the time seems right. TASS, of course, will oppose. The outcome will turn on the attitude of the AUEW's engineering section, whose leaders fessional people should are not on the closest terms with TASS because of the 10-year-long wrangle over the British angineers and mana-engineering union's internal gers, Mr. Lyons declared, would amalgamation problems.

#### Lost merger

The EMA looks like losing the chance of a merger with UKAPE, something which has Its leaders talking instead to the Electrical and Plumbing Trades Union's

The EMA has to face the fact strength of the opposition which that — whether Mr. Lyons's it is facing. Probably its most assessment of the motives of important breakthrough came the engineering employers is not-employers the resistance of the TUC remain reluctant to extend general council and the Con- recognition to other than federation of Shipbuilding and established unions. And it has in TASS a powerful and efficient foe which is as passionate as

recognition to Shipbuilding and the EMA about recruiting TASS, which dismisses the Heartened by this the EMA is EMA as a "small union from now moving into acrospace. An the electrical supply industry."

2malgamation with one of the argues that the arrival of inexperienced organisations would result in "industrial chaos, fragmentation of collective bargaining rights and conbeen accompanied by another stant inter-union problems." It has published agreements which, it says, demonstrate that TASS can protect the special interests

of professional employees.

The report of the Council of Engineering Institutions admitted that both TASS and the Association of Scientific, Technical and Managerial Staffs are "anxious to be able to accommodate professional people on acceptable to their chartered bodies." Although it is not and ASTMS, talks are continuing and the council has shown, with its efforts to encourage engineers to join unions, that it is capable of radical thought.
The debate about how proorganised has not been won by either of the two union sides yet. If TASS did gain the endorsement of the engineering profession it is a step which would increase the EMA's need to enter the Confederation in order to keep the fight on equal

EMAP thus finds itself in a two-front war. It will have to proceed with the greatest of care to prove to potential members that it is not a paper tiger -without upsetting those with qualms about taking industrial action that hits the public.

COMPANY RESULTS

ments.

#### Letters to the Editor

The City and the Budget

From M+ D. S. Ridout Sir I was very interested to ments expressed therein mirror canadian company The value of very closely what I have been of the shares was C\$34.10, it is about \$15/36. My active Burget However, I am had readly sure be right in any very closely sure be right in any very closely sure be right in any very charged \$8.30 plus very closely sure be right in any very count was charged \$8.30 plus very closely sure it does spend to have now approached two distants because it does spend to have now approached two come very freely and the leading Canadian banks some years inevitable the which have offices in London, manner had builtesian are directed at somebody also in the common office section in the common munitages in repetition of the inverse of the printed distant which have been have been have been arrected in the common of Securities. In admines at the politicians.

However, we now have a few of Securities. Collection of Securities. Collection of Charles Simeons cells of the Excherner has in Callection of Drawn or Rehis first Bodget, fulfilled in Callection of Drawn or Rehis first Bodget, fulfilled in Callection of Drawn or Rehis first Bodget, fulfilled in Callection of Drawn or Rehis first Bodget, fulfilled in Callection of Drawn or Rehis from place on taking and sp on the entire new Government for the entire new Government for the combay give customers such into the entire new Government for the bodget can be no valid reason the resonance from the combay give customers such into the entire new Government for the bodget can be no valid reason the resonance from the combay give customers such into the property of the big four banks should for Mr. K. A. Bishop.

Sir, — Mr. J. B. S. Birch in this latter (June 29) has been compared to the first so that the first street in his comments in the privileged position of being Authorised Depo While endersing his comments in the strivileged position in the comments in the strivileged position of being Authorised Depo While endersing his comments according the disastrous effects.

prise in particular.
As far as the Circle can't unit
I am not sure that the fall an
shape releas since the things is
an receive virilette for sprint
to indee the receiver. It is apple there have been come famely of cered. Welfe the Stock and the City the people who use its services come traint all cree the world and not just from the City. The Descript all cree the world and not just from the City. From Mr. Charles Simeons Also my own observations and I stock. Exchange volume figures confirm think fine Official Stock. Exchange volume figures confirm this suggest that the volume of the ling of cheques may be interest. selling since the Budget has more centred on private clients rather than the listitutions al-though the latter have been not

A P Benson saying that both the uncertain-disagree with Mr. White's comments on the City as a whole your Displace Correspondent are thus avoided, and that the and it does seem to me that in raised the matter of the current cost of motor insurance is considered to the courage and determination which has character injury disbility insurance.

1972, permits as an alternative possils it is their intention to itsed its history. Whatever else it to the taking out of personal take a positive and adverse may lack, the City has never injury disbility insurance.

This amount, unaltered since operator policyholders by which the motor insurance market to provide cover limited to third personal take and it is typical of the many bute 50 per cent to the accident, and yet now that we have seen unaltered in many statutory regardless of where liability would elect to insure on this

late so let us hear from the motor insurance, and he cites own is in collision, quite regardcaptains of Industry and the the use of the deposit as an less of whether or not there was
captains of the City with some obvious mechanism for this purfault on the part of his driver.

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Captains of the City with some obvious mechanism for this purfault on the part of his driver.

incasures have the succeed month insurers—that to, means in the giving away or now look carefully at the deposit it requires more than words and bers of the Accident Offices the policyholders premium alternatives described by your also the had habits of recent Association—plus some Lloyd's (with consequent worsening of correspondent in his article. years will not easily be changed. Syndicates, intend from January his apparent claims experience They will not be seeking "to Nevertheless, the Budget has 1, 1980, so to amend their and thus potentially increased avoid paying their requisite now given as the taxation en knock for knock agreements as future insurance costs to him) share of the cost of motor invironment where hard work, to penalise all motor fleet regardless of liability. This may surance "—they will be seeking energy and enterprise can be operators who elect to insure well have an adverse effect on perfectly properly to minimise adequately rewarded.

enterprise can be operators who elect to insure well have an adverse effect on perfectly properly to minimise adequately rewarded.

enterprise can be operators who elect to insure well have an adverse effect on perfectly properly to minimise adequately rewarded. D. S. Ridout, Spenger Thornton and Co. Spenshorn House 22 Cousin Lane, EC4.

a

Publishing

banks do not publish all their figure sum in favour of a well- choice was attractive. But is charges is one that abould be widely pressed

Recently one of the big four banks at the Authorised Desee the letter from Mr. John half a excision for 17 shares here white because the sent of a rights issue made by a ment expressed therein mirror. Canadian company The value

G. W. B. Hext Old Orchard, Blandon Hill.

they ought to do so.

Sir Recent experience of a surprising defect in the hand-ling of cheques may be of dransfer of tax from personal interest.

I wrote a cheque for a four The concept of "freedom of surprising defect in the hand-

with the decimal point moved to the tens position.

This apparently passed unnoticed into their bank which accepted it, finding its way ultimately into my account. In due course I was approached for the balance.

According to my bank the computer deals with the cheques which they never see. When mmenting on the event to one of the counter clerks, I was told we only go by the figures. Clearly no one along the line bothered to read the words on From Sir Jan Lewando the cheque in which case it would be interesting to know how often this happens and what the prospects are for major deception; as in the case of a

regarding the disastrous effects on the arts, I suggest that the more serious consideration for the majority. At a stroke, prices on practically every commodity increased by 7 per cent. One only as to go to into each department in our large stores to see the increases, rapidly written by hand, overnight, on

the goods displayed.

known insurance company who there fredeom of choice in real then paid it into their bank, but terms? Since it is the policy of the Government further to reduce personal taxation, it would be interesting to learn how this is to be achieved. If by further increases in VAT, then the time certainly is ripe for a reexamination of the scope of this taz.

> K. A. Bishop. 24, Petergate, SW11.

#### **Post Office** services

Sir,-Your thoughful leader on June 28, while beloful, needed a few more constructive ideas as follows:

between the introduction of first and second class mail, and the deterioration in the standard of the postal service. There could be a good case for simplification by reverting to one class only. which must be easier to administer, and should improve pro-

ductivity.
2. The Post Office is too big. There seems to be an overwhelming case for separating postal services entirely from telecommunications.

3. The top management seems to need an argent overhaul, both in the Corporation and in the Unions concerned, in order that employees at all levels can be better inspired and motivated. 4. A top level inquiry should be initiated under an impartial chairman, to examine whether significant sections of Post Office activities should be turned over to free enterprise.

J. A. Lewando. Davidge House, Knotty Green,

#### GENERAL **Today's Events** UK: British Steel Corporation publishes annual report.

Cabinet meeting.
Mr. Michael Foot, Labour
Party deputy leader, addresses Mansion House, National Union of Blast-National Union of Railwaymen's

conference, Paignton, Devon. National Union of Mine-Torquey. Engineering Industries Association exhibition opens, workers' conference continues, Brighton (until July 4). Canadian Red Indian Chiefs Overseas: Lord Harlech, Mrs. lobby on their constitutional rights, House of Commons. Thatcher's special envoy, arrives in Salisbury, Zimbabwe-Salisbury,

Rhodesia, for talks with Bishop Muzorewa. U.S. Senate majority leader, OFFICIAL STATISTICS Senator Robert Byrd, in Moscow UK official reserves to discuss SALT II (until July 6).

House of Commons: Finance furnacemen's conference opens, Bill, committee stage. House of Lords: Ipswich Port

PARLIAMENTARY BUSINESS

Authority Bill, third reading. Criminal Injuries Compensation Bill second reading. Law Reform (Miscellaneous Provisions) (Scotland) Bill. Public Records Amendment Bill, second reading. Debate on medical education provision in London.

(during the month of June).

UK official reserves (June).

den and Midland Industries, A. Monk and Company. Rexmore. Interim dividends: Lincroft Kilgour, SGB Group, Sotheby Bernet. Winterbottom Trust. COMPANY MEETINGS Belgrave (Blackheath), Plough and Harrow Hotel, Hagley Road,

Final dividends: Geo. Bassett.

Henderson - Kenton.

Edinburgh and General Invest-

Imperial Continental Gas, Lon-

Birmingham, 12. Lamont, North British Hotel, Princes Street, Edinburgh, 12. Marks and Spencer, Intercontinental Hotel, Hamilton Place, W. 12. More O'Ferrali, Brown's Hotel, Albemarie Street, W. 12.

#### Changes in motor insurance

run out of ink.

Therefore. I fully endorse seem to be seeking ways and his insurer 50 per cent of the of the partial indemnity amend-what Mr. Which has said in his means of avoiding paying their damage costs of any other ments described above.

In these circumstances it is letter, but it is by no means too requisite share of the cost of vehicle with which one of his letter, but it is proposed to be seeking ways and his insurer 50 per cent of the partial indemnity amendation.

In these circumstances it is

100 or more.

Second, it is our understand, and unreasonable new practice.

The existing knock-for-knock ing that it is estimated that this on the part of a majority of £100 or more. agreements have meant that in action will result in an annual United Kingdom motor insurers surers who subscribe to them increase of 30-50 per cent in A.P. Benson, have collectively agreed on a premiums for fleets insured on Deputy Chairman, Property design of June 275 that recoveries against each other to the averall periods insured on Deputy Chairman.

Deputy Chairman, The Association of Insurance and Risk Managers in Industry and Risk Managers in Industry and Commerce. in voir issue of June 27, that recoveries against each other, to the overall national motor 25, Milbenk, SW1.

damage section of their cover of this way.

and yet now that we have seen unalitered in many statutory regardless of where liability would elect to insure on this a dramatic change the other provisions. way everyone seems to have lost. However, your correspondent fleet operator insuring as to do so was provided for them their voice and their pens have goes on to say that an increasing described above, will now by motor insurers, as they would run out of ink.

number of vehicle operators broadly be required to bear via thus avoid the punitive effects

pose. What he does not say. This proposed action by in-the public interest to minimise and what may not be so widely surers must be questionable on overheads and thus to contain Haping said all this if the known is that most corporate a number of grounds. First, it both costs and prices, may well measures taken are to succeed motor insurers—that is, mem- results in the giving away of now look carefully at the deposit OB a comprehensive basis with managed and safety-conscious price competitiveness when on a complemental fleet operator is penalised in faced with what may well appear to be an unjustifiable Second, it is our understand- and unreasonable new practice



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# Mercury Secs.

BOOSTED BY a sharp jump from £0.32m to £2.27m in earnings from metal trading and refining, attributable profits of Mercury Securities advanced from £10.32m to £14.86m for the

year ended March 31, 1979.

The result was after tax, minorities and transfer by the main subsidiary. S. G. Warburg and Co., to inner reserves. Profits included a £4.16m (£2.25m) credit for provision for deferred tax no longer required by subsidiaries, and £4.1m from

associates.

Earnings per 25p share are shown as 25.13p (18.96p) before the credit, and as 34.91p (24.25p) after. The dividend is lifted from 3.7848p to 6p net.

The credit refers to stock

relief (or similar overseas tax relief) of the group's metal trading subsidiary, Brandeis, Goldschmidt and Co. whose directors say that, in addition to the £3m released last year, a further £5.55m can be released to reserves having regard to the minimum stock levels, which they envisage on a continuing

At the laterim stage, the directors said that profits for the first six months were higher than those for the same period of the previous year.

S. G. Warburg profits expanded to £13.09m (£9.86m). While metal trading and refining profits showed a sharp increase, its earnings from merchant banking, after transfer to inner reserves. rose from £8.63m to £9.62m, and those from insurance and ship-ping were up from £0.91m to £1.2m.

Mercury Securities profits of

**Total Revenue** 

Less: Expenses

Less: Taxation

Preference Dividend

Earned on Ordinary Shares

Net Assets attributable to:

**Currency Loans** 

Total Net Assets '

**Debenture Stocks** 

Preference Shares Ordinary Shares

Ordinary Dividend paid (net)

Net Revenue available for Ordinary Dividend

Net asset value per 25p Ordinary Share

of employee benefit consultancy. £0.59m (£0.53m), with the balance from other activities.

minorities, (£2.71m), the deferred tax credit, and dividends, which absorb £2.56m (£1.61m), retained surplus emerged ahead from £8.71m

In addition to the retained balance, disclosed reserves have increased by £1.25m principally due to an adjustment in respect of a change in the basis of valuation of metal stocks in the U.S. subsidiaries of Brandeis, Goldschmidt.

#### CGSB falls and cuts payment

TAXABLE PROFITS of CGSB posed. Holdings, the motor engineer and distributor, tumbled more than £100,000, and the group is cutting the dividend.

On turnover ahead from £7.9m to £8.35m the surplus fell from £149.800 to £32.400 for the half ear ended March 31, 1979. For the previous year pre-tax profits virtually static at £323,934

The net interim dividend per 10p share is being cut from 0.44p to 0.2p. The total last year was

After tax of £16,800 (£80,500) earnings per share are shown to be down from 1.67p to

The Continental and Industrial

**Trust Limited** 

and its Subsidiaries

(Managed by J. Henry Schroder Wagg & Co. Limited)

The Annual General Meeting will be held at 120 Chespside,

London, EC2V 6DS on Wednesday 25 July 1979 at 12.30 p.m.

Details from the Report and Accounts for the year ended 31 May 1979

Copies of the Report and Accounts are available from the Secretaries

J. Henry Schroder Wagg & Co. Limited, 48 St. Martin's Lane, London, WC2N 4EJ.

#### DIVIDENDS ANNOUNCED

A. Carrier		Date	Corre-	Total	Total
	Current	1o	sponding	for	last
	payment	payment	div.	year	y.ear
Bett Brosint.	1	Aug. 20	0.77	_	1.9
Chemring2nd int.	8.0	July 20		_	1.44
Courts (Furnishers)	1.99‡	Oct. 15	1.99	3.7	3.64
Reywood Williams	2.45	Aug. 3	0.67	3.46	2.35
Mercury Sees	6	_	3.78	6	3.78
Sutcliffe Spearman	Nil	-	1.07	1.32	2.38
Dividends shown pence	er share	nel excen	t where a	therud	so states
* Equivalent after	ellowing	for ser	in itelia	TIEL M.	e state
impressed by sights and	- HOW HAR	ion sec	th mane.	r UE	capita

increased by rights and/or acquisition issues. ‡ Additional 1p now payable.

## £4.5m rise by Courts (Furnishers) up £1m at record £5.89m

posal profits of £395.000 against £40,000, taxable surplus of Courts (Furnishers) finished the March 31, 1979, year ahead by flm at a record £5.89m.
Turnover, including VAT, rose
from £47.1m to £49.1m.
The directors state that over-

turnover, in the current seas turnover, in the current year, has been at a higher level than the corresponding period last year. In the UK the VAT change led to exceptionally increased business, they add, although sales, even prior to the Budget, had shown an increase on the comparative period. on the comparative period.

At the interim stage profits had risen from £1.9m to £2.77m. After the year's tax charge of £2.68m, compared with £2.28m earnings are shown as 21.2p per 25p share against a previous

The dividend is stepped up to 3.70233p (3.54668p) net with a final payment of 1.99018p, and a one-for-two scrip issue is pro-

Also announced is an additional dividend for the year of ip. It is intended to maintain the dividend per share on the

increased capital.		
	1978-79	1977-7
	ECOOD	PD00
Turnover (inc VAT)	49.087	47,10
Prop. disposais		
Profit before tax		4.65
		2,28
Taxation		
Net profit		2,60
Exchange losses		
Minority interests.		
Available	2,598	1.2
. Drvidends	696	51
Retnined	. 2,242	1,74
UK results we	ere adv	
Or. symmeth we	war men	CHACL

effected in the last quarter by the bad weather conditions, the directors state.

They add that overseas earnings were reduced as a result of the strength of sterling. But for the movements in exchange parities, turnover and profits for the year would have been £51.93m and £6.51m respec-

New stores were added in the UK during the year, and exten-sions to existing stores and relocations took place. Since the and of the year a new store has heen added; further conservative expansion is anticipated in UK and overseas, the directors state.

comment

2,882,317

1,962,513

692,510

£1,121,503

£'000

3.811

3,992

50,162

58,965

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland.

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(Incorporated with limited liability in the British Virgin Islands)

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Citicorp Overseas Finance Corporation Limited (the "Company") has assumed the obligations of Citicorp Overseas Finance Corporation N.V. ("COFC"), effective July 2, 1979, in respect of the 64", Guaranteed Notes Due 1980 and the 7°; Guaranteed Notes Due 1981 (the "Notes") issued by COFC under a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated as of October 15, 1977 among COFC. Citicorp and Citibank.

N.A. The assumption was made pursuant to Paragraph 7 of the Notes by Amendment No. I, dated as of

New Note certificates will not be issued to reflect the assumption by the Company, and the Guarantee of Citicorp will remain in effect. The Notes Due 1980 and Notes Due 1981, as obligations of the Company, have

Particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business

Cazenove & Co.,

12 Tokenhouse Yard,

London EC2R 7AN

150,766

Courts has surged off the £4.9m profit plateau on which it has

1978

2,473,720

516,860

1,819,595

654,270

38.500

6,40p

000°3

4,106

3,998

43,946

53,050

259.40

£1,126,825

#### HIGHLIGHTS

Lex looks at the full-year figures from Mercury Securities Profits-growth appears impressive and news of the helty dividend rise helped boost the shares by 11p to 172p. Beecham's annual report comes in for comment and Lex also highlights activity in the gilt-edged market where the long tap was exhausted and gains of almost three points were noted in parts. Elsewhere, Heywood Williams has achieved its forecast despite the winter's problems, and Courts has produced reasonable growth after stripping out property disposals and adjusting for the distortion of deferred profit transfers.

languished for the past two years. The latest figure does include a bigger than usual contribution from property sales but the transfer from the deferred H.P. Account (which inflated the first half figures by \$380,000) was almost matched in the second half by a transfer to the account. Stripping out both influences suggests an underlying trading profit improvement of around 13 per cent. Courts, like most

retailers, was hit by the poor January sales and the Sluggish recovery in February and March. Also the strengthening pound has not helped the conversion of overseas profits into sterling on consolidation. The dividend is up by around a third and a furincrease will come next year from the proposed scrip issue. The shares, at 142p, have a fully taxed p/e of 7.5 and a yield of

## Beecham emerging as major U.S. force

the way to becoming a major pharmaceutical and consumer products markets in the U.S. "The importance of this can scarcely be exaggerated,"

chairman. Out of £923m (£838m) sales profit in 1978-79, North and South America accounted for £165m (£163m) and £18.9m (£21.7m) respectively. Capital spending in the region was £9.6m, against

£9m, out of a total of £48.3m (£41.5m). In the current year spending in the U.S. will include significant advertising and promotional cost of launching Aqua-fresh toothpaste nationally.
The group's results for the year to March 31, 1979, when

taxable profit was up from a restated £139.4m to £144m, illustrates the wisdom of giving as much attention and emphasis to expansion of consumer products business as to the growth of pharmaceuticals, says Mr. Wilkins

it made progress in most parts of the world. Beecham Pharmaceuticals encountered problems outside its control in some markets which largely neutralised its achievements in others. In consequence trading surplus on pharmaceuticals was only modestly high and, after

showed a decline from £86.9m to £84,3m. This fall was more than offset by the advance by Beecham products. With consumer product sales

up at £599m (£528m) trading profit reached £54.9m (£47.3m). profit reached £54.9m (£47.5m).

Analyses on a geographical basis sales and trading profit shows: UK £308.9m (£259.8m) and £31.7m (£26m); Western Europe £280.4m (£26£6m) and £49.5m (£50m); North and South America £165.1m (£163.1m) and £18.9m (£21.7m); and other areas £168.7m (£150.9m) and £39.1m (£36.5m). Plus £7.2m (£8.3m)

royalty income
Last August as known, the
group bought Scott and Bowne,
an unlisted UK consumer
products company, for £14m cash

from its own resources.
The rights issue in November raised £79.8m which helped raise net liquid funds by £81.1m to £135.1m at year end. Loans were reduced by a net mount of £26.9m to £132.3m,

mainly due to reclassification of £19.6m as short-term borrowings which were ahead from £7.8m to £26m.

Beecham Inc. arranged a private note placement of U.S. 865m in the U.S. which was of the placement was received in December 1978 and the balance will be received in

Beecham Group is now well on August 1979. The proceeds from this placement will be used to refinance horrowings incurred in connection with the acquisitions of S. E. Massengill Company and the Calgon consumer products business in previous years.

Capital spending commit-ments amounted to £18.5m (£21.6m) at March 31 and a further £48m (£58.2m) had been authorised but not contracted. The net dividend is stepped up to 21.1375p (18.63p) as reported May 25, and a three-for-one scrip issue is proposed.

During the year in the UK, site

work began for the major plant which is to be built at the Irvine pharmaceuticals factory and some progress was made in rationalising and modernising the company's Worthing pharmaceuticals factory. At the same time a number of important projects continued in the food and drink division and some

were completed.

Beecham Group and Beecham settlements at cost aggregating some 35m, covering substantially all pending civil suits alleging violation of American antitrust laws in connection with the group's semi-synthetic penicillin business in the U.S. claims have been dismissed by the court and appeals, if any, are not expected to be successful.

Full provision for the settle-ments was made in the accounts prior to March 31, 1978. Though the companies have consistently denied any anti-trust violations, more in the group's interest than See Lex

#### ISSUE NEWS Grand Metropolitan 90% taken up

Shareholders in Grand Metropolitan have taken up nearly 90 per cent of the £80.5m cash call made last month.

S. G. Warburg and Co., the underwriters, announced late last night that acceptances were received in respect of 57.27m new ordinary shares of 50p each, representing 89.5 per cent of the new shares offered on the basis of one-for-seven at 126p each.

The rights have is the largest the largest this large of the largest that the largest the largest that the largest the form of the largest that the lar so far this year. Grand Metro-politan's last rights issue was in October, 1975, when shareholders

were asked to put up £27m.

The new ordinary shares not taken up have been sold at a premium. The net proceeds testimated to be 10.7p per share after deduction of the issue price and expense of sale) will be remitted to the persons to whom the new ordinary shares were provisionally allotted, save that where such net proceeds in respect of any one holding amount to less than £I they will be retained for the benefit of the company.

FAIRLINE

Shares of Fairline Boats, the Northampton - based manufac-turer of motor cruisers, reached 102p when dealings started yesterday—a premium of 27.5 per cent on last week's placing price of 80p.

The price had earlier opened at 98p but, after peaking at 102p, it settled back to end the day at 96p, which values the company at around £3.4m.

A total of 35 per cent of the

company's shares were placed Jobbers said yesterday there was a good institutional following for the shares, for which there was "a fair amount of demand."

SCOTCROS

Scoteros announces that the rights issue of 1,749,138 new ordinary has been accepted in respect of 1,652,098 (84.45 per

#### BIRMINGHAM District Council

Floating Rate

Stock 1983/85

3rd July, 1979 will be £14-4063% per anount.

## Heywood Williams meets forecast with 91% leap

tax profits from £541,000 to a re- with minimum profits before tax cord £1,032,000 for the year of some £250,000. Meanwhile, ended April 30, 1979, Heywood capital spending this year is Williams Group is in line with likely to come out close to £1m. the directors' forecast of around and later reaffirmed in April.

tive chairman, expresses conf. 1923 (£602); U.S.—restaurants dence about the future despite and hotel management, £4,337 the many problems of the cut—(nil) and £186 (nil); South rent economic climate. He says: Africa—operating units sold it is no early to make any it is too early to make any quantified profit forecast for this year, but early returns from, the group's operating units are encouraging.

However, he is certain of another record profit in 1979-80; representing an increase in earnings per share coupled with an improved asset backing and a higher dividend. the year under review.

adjusted for the subdivision from 50p shares into 25p shares. stated earnings jumped by 53 per cent from 8.5p to 13p and the net dividend total if lifted to 3.45p (2.345p), covered over three times, with a 2.45p final.

The chairman adds that the group is looking for a considerable increase in results this year. On the trading front, he says internal budgets have been set very substantially above last year's figures.
But for the bad winter weather

and the impact of secondary picketing, as a result of the road haulage strike, the group's profits would have been even higher. In overall terms, estimates Mr. Oliphant, these two factors have cost around £200,000 in profits. Last year's bid moves in the

U.S. took the group into-restaurants and hotel manage-ment, but for the time, acquisitions are now more likely to be in the UK. The group, which has tax losses of some £3.1m on the home front

to carry forward, is not only looking to add to its existing businesses but also prepared again to move into new areas.

A geographical and divisional film made at the interim stage breakdown of turnover-up 24 per cent to £21,2m—and taxable The midway result was more profits shows, with 2000's than doubled from £181,000 to omitted:—UK — products for building industry in aluminium and glass, £14,897 (£14,436) and

April, 1979, £1,963 (£2,636) and £57 loss (£61 loss). Major profit contributors in the UK were aluminium extrusion, patent glazing and glass merchanting. The Apollo window activity turned a loss last year into a "reasonable" profit for into a "reasonable" profit for 1978-79 with good prospects for

the future. In the past year, the group has doubled its extrusion capacity, ordered a new anodising plant to come on stream in October, 1979, extended its glass ware-bouse floor space by 25 per cent, opened four new home improvement shops and launched a variety of new or improved pro-duct lines. It recently purchased a sealed glass unit manufacturer

in Scotland. Initial contribution from the U.S. in restaurants and hotel management has been satisfactory, and the chairman says the pur-chase of two additional busi-messes make the future look

These two husinesses comprise: Mr. Drumstick, a chain of ten family restaurants in small towns in South Illinois, and Budget Motels and Hotels of America Inc. which operates a booking and supply service for over 700 hotels.
The South African operation

was sold, apart from tenanted properties and retained cash which will ensure a small profit from this source in the future, doubtedly affect demand.

The group new has no employees shares rose ap yesterday to South Africa.

(£128,000) leaving the reta balance little changed at £416,00 against £411,000. On the balance sheet, shan holders funds were up by 42 pe cent to £4.75m. Borrowings an loans, other than capitalisation of lease commitments, have £415

by £466,000 or 29 per cent Fixed assets were well up it £2.39m to £5.16m but net rent assets decreased fi £2.69m to £1.47m. At the year-end, directors, on sent and former employees her 24 per cent of the equity and British Aluminium and Printer ital Assurance held: 9.9 per cent and 5.8 per cent respectively.

• comment

Heywood Williams has achie Heywood Williams has achieved its forecast in spite of its weather problems and for driver's strike during Januar February, factors which problems about trimmed back profits in around 50.2m for the year has surgery by the company's permanagement over the past for surgery by the company's new management over the past for years is paying off handsoned. Apart from the closure of the troubled architectural product division, HW-has now said off the loss making South African window activity to the bland divertified into the U.S. with and diversified into the U.S. with three potentially fertile acquisitions. One of them, a hotel management company, was offer tively bought for nothing by MW assuming liabilities of \$0.7m, and incompany. return for income producing possible by U.S. lax laws. home, the important aluminium extrusion business is coming through strongly on the back of higher demand and the cap capacity made possible by the new 20.7m Chester Press. To only headache, on the horizonis expected sharp increase

the price of aluminium bille and glass, which will a doubtedly affect demand. T where the p/e is 5.6 and Tax for the year took £159,000 yield . 5.8 per cent-2 13 gain to move into new areas. (£2,000) and there were extra- which does not appear to have Mr. Oliphant says the group ordinary debits of £222,000 this discounted the expected growth

## Wilkinson Match soundly based for longer-term growth

half year are expected to be lower than last time, in the longer term Wilkinson Match has a sound business with good prospects for growth worldwide, and is well placed to take advantage of favourable changes in the world economic situation, says Mr. D. Randolph, the chairman, in his annual statement.

As reported June 22, despite a difficult year taxable profits rose for the 13 months ended March 31, 1979, on turnover of £272m (£192m). However, the chairman warns that the problems of last year's second half are persisting.

On a current cost basis, pre-tax profits emerged at £12.39m against £10.05m, after additional depreciation of £3.14m (£2.13m), cost of sales £6.48m (£3.79m), parity offset by a £3m (£1.67m)

gearing adjustment.

Because of the seasonal nature of its business, consequent upon recent changes, the group is to alter its year-end from March 31 to September 30, and accordingly

the next accounting period will be for the 18 months to Septem-At March 31, 1979, group fixed assets were up from £60.89m to £78.28m and net current assets show an improvement of the increased from £38.38m to £71,000 surplus achieved last £66.49m. Bank loans and over-time: drafts were higher at £17.56m (£13,49m).

There was a net inflow of funds of £1.83m compared with a £6.12m outflow a year earlier. Meeting, The Institute of Directors, SW. July 26, 11.30 am.

Glanfield ... Lawrence

A turnround from a loss of £15,000 to a taxable profit of £40,000 in the half-year to April 1, 1979, is reported by Glanfield Lawrence. motor distributor and engineer.

vehicie: Profits were struck after higher interest of £115,000, against £73,000. Turnover, ex-cluding tax, rose from £4.25m to

The directors say the second half has started well and if the changes introduced in the Budget do not have too severe an effect. they expect full-year results to

The bad weather and transport strike caused supply problems in the serly part of the year. most manufacturers, particularly Vauxhali—the group's principal supplier—led to many lost sales opportunities, and group re-sources were not fully utilised:

Despite these problems, all divisions have traded in line with the profit forecast, and the directors believe the company is now well placed to take advantage of the hoped-for easement in supply and better trading con-ditions during the summer.

After tax for the half-year of £23,000 (£8,000 credit), there was a net profit of £17,000 compared with a loss of £7,000. Last years dividend was maintained at

#### Norcros Limited

# Ayear of growth

JOHN V. SHEFFIELD, CHAIRMAN, REPORTS:

- Group pre-tax profits a record
- Group margins improve again
- Capital expenditure at all time high

Financial summary of the year to March 31st, 1979

•			1978
		£'000	£'000
Group sales up 8% (Including share of as:		Att Contract Contraction	
(Including share of as	sociate :		era amerikan keraja. Perangan beraja
companies' sales)		212, <del>56</del> 5	196,543
United Kingdom sales	up 15%	145,300	126.290
Overseas companies :	sales up 25%	32,138	25,790
Capital expenditure up	o 29%	8.239	6.367
Pre-tax surplus up 189	6	17,168	14.512
		- <u>1414 - 1465 - 1</u>	

Dividend per Ordinary Share

The Annual General Meeting will be held. on 23rd July 1979.

Copies of the Report and Accounts are:

available from The Company Secretary, Norcros Emited, Reading Bridge House, Reading, Barks RG18PP.



July 3, 1979

July 2, 1979, to the Fiscal Agency Agreement.

hours up to and including July 17, 1979 from:

been admitted to the Official List of the Stock Exchange.

Final Dividend Increase.

1978/79 · 1.1939p

#### JAN UK COMPANY NEWS

## Sutcliffe £0.41m deficit after Middle East costs

AS FORESEEN SE Desember 218,000 (2507,000 charge). It the wisethed simulation in the Middle She and difficulties in the brickmaking plant appears to given compared with a previous affected assume half profits of the brickmaking plant appears of the street another in the same in the march of the street in the march of the street in the Middle She that the street in the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Middle She transfel loss of \$407,000 coars against the Sale of the sa

Solenoids and Regulators. This new subsidiary is expected to make a substantial contribution to profits in the current year.

Profit for the year to March 31 1979, was a record £743,259 (£618,887) on sales up from £7.56m to £8.55m—as reported May 22. During the year the not outflow of funds was £86,900 compared with a £128,500 inflow.

At year end cash stood at £1,304 (£1,327) and bank over-draft was down at £155,599 (£234,592). Capital commitments amounted to £485,245 (£109,700) of which £95,611 (£64,700) had been authorised but not con-

NCR profits rise mid-way

For the first six months of 1979 taxable profits of NCR, subsidiary of NCR Corporation of U.S., rose from £2.79m to £4.53m on turnover of £37.6m against ££3.08m The increases are mainly due to the insprovement in incoming orders following the release of several new products.

Exports for the first half show

a 45 per cent increase over the corresponding period last year,

## Three life assurance companies increase terminal bonus rates

The Norwich Union Insurance is passed on to the policyholders whose contracts are about to mature. The Norwich Union last passible on death or maturity policy was taken out. The new scale, basic on each fl.000 of increase of the policy was taken out. The new scale, basic on each fl.000 of increase of the policy was taken out in 1973 to fl.200 for one taken out in 1975 to fl.200 fl.200 for one taken out in 1975 to fl.200 fl

astrony making a court of 12,710 at majority on the new refers against 13,521 on the old refers against 13,521 on the old refers against 12,521 on the old refers aga

The previous scale ranged from 3 per cent to 251 per cent. However, the changes in rates for intervening years is not uniform. The largest increase occurs for year of entry 1955 where the new rate is 17 per cent compared with 141 per cent.

## Staveley borrowings rise but within gearing levels

There was an increase in the cent more than their cost. Even back in the year just passed, the level of working capital at disreparding this the other when profes fell from an Staveley Industries in the year investments, the chairman says, annualised £2.59m to £1.29m.

Staveley Industries in the year investments, the chairman says, annualised £2.59m to £1.29m.

He is confident of significant annual statement. This was due for interest growth and growth in business and profits the confidence of the confidence of the confidence and the confidence of the confidence o to the continuing growth in continuation of the capital turmwer, and a deterioration in divestment programme.

trading conditions and farms of Overall, the group does not payment in some of the groups expect gearing during the business areas.

The latter trend is unlikely as algorithmatically.

The latter trend is unlikely as algorithmatically.

compared with the exceptionally low level last time. They are however, still well within levels of gearing which we consider to be comfortable, the chairman

Says.

The horrowings cover 22m of tax reserve certificates which have so far yielded about 2 per

As reported on June 15.

pre-tar profits in the year to March 31, 1979, were £11.25m, campared with £15.02m for the previous 16 months, annualised to £10.01m.

forther increase in turnover and profits in the chrrent year, mainly in the second hair. Of the foundry products and Canadian operations.

abrasives group, he expects a Meeting 12, Great George
marked recovery from the set. Street, SW, July 24 at noon.

mechanical particularly during the second machine. tooks

engineering group is expected to produce estisfactory results, while the progress and growth of the Safter group is likely to continue\_

Significant profit growth is anticipated from North American operations, through expansion in Electroscate's profits and the continuing improvement likely in the profitability of the Canadian operations.

### The Monks Investment Trust Limited [

Summary of Results for year to 30th April Total Net Assets at Market Value	1979 168,564,673	1978 £59,079,814
Ordinary Shares:	74-40	68·2p
Earnings Dividend	1-90p 1-85p	1-68p 1-60p
Geographical Distribution of Investments	508	% 42-4
Equities: United Kingdom United States Japan & S.F. Asia	22·3	33-0 4-8
Other Countries	1.8	2·8 83·0
Total Equities Foreign loan backing	13·1 3·5	7-6
E.E.C. Bonds Deposits and other Fixed Interest	50	9-4

Escurpts from the Statement by the Chairman, Mr. Michael Hamilton

Esmings per share rose from 1:68p to 1:90p and we are recommending a dividend of 1:85p. This is 15% more than last year's dividend and means that the increases in dividend both this year and last year have been in excess of the prevailing rates of inflation, giving shareholders a higher income in real terms.

196.543

33.

The asset value per share rose to a new high level of 74-4p reflecting a substantial rise in the U.K. equity market and a fall in Sterling terms in the U.S. market.

Concerned at the high level of the Dollar million Premium Dollars realising on average a premium of 46% on an exchange rate of \$1.94 compared with a presimm of 24% on an exchange rate of \$2-06 at the year end. The Accounts thus show that the premium carrency content of the total assets has fallen to 3.5% compared with 11.2%

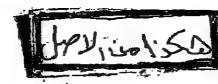
During the year we borrowed \$5 million to finance purchases of Dollar-denominated bonds of E.E.C. Institutions. The loan is repayable over 5 years with foreign currency purchased at the official rate and eventually we shall hold these bonds without having to pay any Premium.

•We continue to be concerned at the discount to asset value at which the shares of Monks. along with other investment trust companies, are quoted. For some years now, increasing pressure from taxation has caused private holders to sell shares and it is to be hoped that reductions in personal taxation will lead to a revival of their interest. Given an environment in which the private shareholder is once again encouraged, the virtues of investment trust companies should ensure at the very least a narrowing of the present level of discounts.

The Idonks Investment Trust is fifty years old this year and a brief account of its history and investment objective is given in the Annual Report.

Copies of the Annual Report may be obtained from:

3 Glenfinlas Street, Edinburgh, EH3 6YY.



### **Braby Leslie Ltd**

special fabrications for the petro-chemical, process and brewing industries, diesel generating sets, aircraft ground support equipment, domestic products and civil engineering.

	Year to 3	st Marc
•	1979	1978
-	£DOO	£000
Tunover	31,630	31,376
Profit before Taxation	2,091	2,390
Taxation	512	383
	1,579	2,007
* **	1,913	2,004
Edizordinary items	_	7
—profit on sale of	•	•
Tam's Loop Quarries Ltd.	323	_
W. c To thutable		
Net profit attributable to shareholders	1.902	2,014
10 Statement of 2	1 faut.	2,014
"Eross" dividend		
per share	7.2836p	
Empings per share	15.6p	19.2р_
Net tangible assets		
per share	28,4p	74.7p

The Group had a satisfactory year, producing a pre-tax profit higher than in any year other than 1977-78, in spite of the

The reduction was due to a downtum of approximately £500,000 in the profit of S. Briggs & Co. Ltd., caused by intense competition and a decrease in orders for brewing

Most subsidiaries produced good, and in the case of Deceide Metal, Edghill, Economic Gas and George Leslie, record despite some order books being lower throughout the

in a smaller export market, while in the U.K. its share of the generating set market increesed against severe competition, Braby Liverpool could have achieved record results but for the road hauliers' strike.

The Board looks to the future with cautious optim me armiety concerning the steady rise in the rate of inflation

Copies of the Report and Accounts may be obtained from The Secretary, Braby Leslie Limited, Cowley Mill Road, Uxbridge, Middlesex UB8 20G.

# JIJES (CO)

## Checks in with Record Net Profit of £37.7m



1977/78: 0.9233p

The net profit this year was the highest ever, increasing by £9.1m to £37.662m.

Turnover: Sales broke all records and increased by £257m to £1,236m. This confirms, after allowing for inflation, a volume increase in excess of 15% and continuing growth

Dividend: Final Dividend is increased by maximum per-Mc L. Porter Ph.D. (Hon.) Chairman mitted by Treasury, from 0.9233 to 1:1939p.

Store Development Programme: During 1979/80 it is planned to open a further sixteen stores, which together with major extensions will increase selling area by over 500,000 sq.ft. A most notable extension is at Weston Favell which will create a sales area of 96,500 sq.ft. on one floor making it the largest superstore in the group.

Energy Savings: Savings this year should exceed £1m, roughly 10% of previous cost. Further economies are planned.

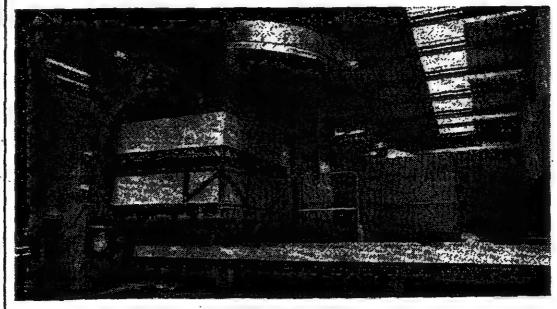
Future Prospects: The current level of trading is progressing favourably and your Board anticipate that this year will again prove to be one of record profitability. The Tesco 'Checkout' Credit Card will be adding an exciting innovation to the groups trading operations.

#### TESCO means real value for shoppers, staff and shareholders

31.86% Net Profit Increase. 1978/79 £37.662m 1977 78 £28.562m 26,20% Tumover Increase. 1978/79 £1,235.9m 1977 78 £979.3m

Copies of the Annual Report and Accounts available from the Secretary, Tesco Stores (Holdings) Ltd.,Tesco House, Delamare Road, Cheshunt,Waltham Cross, Herts, EN8 9SL

# FUMA constructive furner & Newcl



£4 million investment in lightweight concrete building blocks



£3 million construction materials plant modernisation includes development of giass-remiorced board



£8 million investment in specialised glass tibre insulation materials

Last year we put £4m into new plant producing high quality construction materials - lightweight concrete building blocks.

We have started a £3m modernisation of three of our UK asbestos-cement plants, and are doubling capacity in our two Nigerian plants.

Our £8m development for the manufacture of 'Envoy' glass fibre — a new range of special insulation products for the building industry is on stream this year.

T&N has been a major force in construction and insulation materials for decades.

Now we're making sure that the future with its urgent requirement for energy conservation in industry and the home - will be equally productive for us.

Construction materials is just one of the businesses in which T&N is making its mark internationally.

We are actively investing and growing in automotive components, plastics, specialty chemicals and man-made fibres, in addition to mining asbestos.

T&N has evolved at such a rate recently that your view of us may be rather out of date. Why not correct that now, by writing for our

corporate brochure? TURNER **@V** & NEWALL

#### LIMITED Providing what the future needs

To: Public Relations Dept., Turner & Newall Ltd., 20St, Mary's Parsonage, Manchester M3 2NL.

Please send me a copy of your corporate brochure and/or Report & Accounts

C.3.7

#### 1978 1979 Profit disclosed, before investment gains and extraordinary items (including £4,994,000 £7,116,000 an exceptional credit of £1,035,000) Earnings per 25p share before 23.55p 33.64p investment gains Dividends paid and proposed £2,340,000 £2,063,000 Amount (net of tax credit). 9.60925p 10.924p Rate per 25p share **4.37 times** Covered by total available profits 5.15 times Shareholders' funds, excluding £64,948,000 inner reserves of banking companies £76,321,000 Increase of market value over carrying value of investments in Hambro Life Assurance and Berkeley £20,000,000 Hambro Property Company £41,000,000

## AYEAR OF SUBSTANTIAL **ALL-ROUND PROGRESS**

Mr. Jocelyn Hambro, M.C., reports on the Hambros Bank Group

This has been a year of substantial all-round progress.

After reporting lower earnings for the first half-year, the second half showed an improvement which has brought the full year's results well above those of last year. The improvement was throughout the whole of our business but particularly in banking, in unit trust operations and in investment performance. Our share of associated companies' profits has also increased particularly from Hambro Life Assurance and Berkeley Hambro Property Company.

Attributable operating profit after tax was £7,116,000 against £4,994,000 last year. After investment gains and extraordinary items the total profit has risen to £11,884,000. Dividends are covered five times and are 10% above, both at interim and recommended final, those of last year.

Shareholders' funds have advanced from £65 million to £76 million. Also, at 31st March 1979, there was an additional excess of £41 million of market value over the balance sheet carrying values of our listed associated companies - again Hambro Life Assurance and Berkeley Hambro Property Company.

#### HAMBROS BANK

Last year we drew on inner reserves towards shipping loan provisions. This year, as existing provisions are already adequate, inner reserves have been increased. A gradual improvement has taken place in bulk shipping markets with improvements in charter rates and in market values, but these will have to be sustained before the shipping industry can be said to have recovered.

Acceptances reached a new peak of £274 million, while the figure for assets leased, on our own account and under management, rose to more than £200 million. Customer loans and advances fell slightly, chiefly because of the translation of dollar loans at the higher sterling rate. We were active in the management of new bond issues and in the syndication of euro-currency loans.

Managed investments, especially for pension funds, grew substantially. Our 21 authorised unit trusts at the year end had an aggregate market value in excess of £350 million.

Fee income from corporate finance activities was slightly down on the previous year, but at the year-end the level of activity was greater than at any time during the preceding twelve months.

Since the year end we have announced an offer for the share capital of Collett, Dickenson, Pearce International Limited, a leading U.K. advertising agency, through a subsidiary in which we will hold 75% and the Management of the agency, 25%. This offer has now become unconditional.

The Group's own investments produced the substantial gain of £3,293,000. Many of these investments are in smaller companies but we found new opportunities hard to come by, as competition intensified from other institutions who have entered the venture capital field.

#### OVERSEAS INTERESTS

Our Channel Islands' banks continued their well established growth. The progress of Hambro Pacific and Hambro Australia reinforced our faith in these companies and in the areas in which they operate.

Since the year end we have increased the capital invested in Hambro America Inc. where we are developing a profitable investment and advisory business.

#### HAMBRO LIFE ASSURANCE

The remarkable progress of Hambro Life continued throughout 1978. They have since reported that new business in the first quarter of 1979 is running substantially ahead of the corresponding period in 1978. Hambro Life's dividend was increased by 17.7% above that of last year as profit cover had increased by an equivalent amount above the best previous year.

#### Consolidated Financial Statement at 31st March 1079

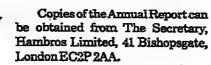
1979

1978

	1010	1010
	£'000	£'000
Share capital and		
reservos	76,321	64,948
Minority interest	2,781	1,552
Loan capital	41,639	47,882
	120,741	114,382
Coment denseles and		
Current, deposit and other accounts	1,116,415	1,041,785
Acceptances for	4-10-1	2,022,100
customers	274,667	257,960
Deferred taxation	11,044	8,092
Proposed dividends	1,436	1,251
	£1,524,303	£1,423,470
	112,000	
Balances with banks		001 080
and money at call	196,421	221,852
Term loans to banks		
local authorities and		
certificates of deposi	t 457,685	356,263
Dealing securities	13,991	9,088
Trading stocks	25,549	15,258
Loans, advances and		
otheraccounts	504,984	504,122
Customers' liabilitie	5	
for acceptances	274,667	257,960
Investments	45,692	54,389
Investments Fixed assets	45,692 5,314	54,389 5,038
Fixedassets		,

#### THE OUTLOOK

The ever-increasing price of oil makes one hesitant about the prospects for the future growth of world trade. Our new Government, however, has sounded a clarion call to the nation by its budget proposals. We are confident that it will be answered by all sections of trade and industry which makes us hopeful of continuing improvement in our own business.



## **Hambros**

# Anoconda studies \$1.5bn

MINING NEWS

Chile copper mine

BY KENNETH MARSTON, MINING EDITOR

the transatlantic mining companles is America's Anaconda copper giant which is now takring closer look at the huge Pelambres copper mine in nor-thern Chile. The mine has ore reserves of an estimated 430m

According to the Chilean Foreign Investment Commission, Anaconda will invest U.S.\$1.5bn (£688m) in the exploitation of Pelambres if geological studies prove its feasibility. Spokes-men for Anaconda are reported as saying that the company will invest \$12m in the preliminary

Pelambres, which is situated 340 km north-east of Santiago, was purchased by Anaconda last month for \$20m.

Until recently Anaconda has been developing the big Sar Chesmeh copper deposit in Irau on a contract basis, But, like many other ventures in that country, work has halted since the revolution and last month it reported that Iran had canits contract with Anaconda.

From Canada, Northgate Exploration, which also has interests in Ireland and Australia, says that barring any unforeseen interruptions to production its net income this year

should be "well in excess of" 14m tons averaging 0.18 oz gold C\$6m (£2.36m), the best since per ton plus a further 3m tons 1973. Last year there was a net grading 0.08 oz. profit of only C\$458,000. Earn-

Northgate's president, Mr. T. Smith—who has taken over the office from Mr. Pat Hughes upon the latter's Hughes upon appointment as chairman said at the Toronto meeting that Northgate is broadening its prospecting activities. These now include uranium, strategic and precious metals together with oil and gas in addition to the traditional search for lead, zinc and copper.

This year's spending by the Northgate group on mineral exploration is expected to rise to CS4.3m. While in need of new earnings sources. Northgate is well supplied with funds, the cash position including working capital being over CS26m. Mr. Smith put the group's total assets at around CS64m, or CS26m are shared. assets at around C\$9.30 per share.

Canadian partners, Interna-tional Mogul Mines, Lacana Mining, Rayrock Resources and United Siscoe Mines, reckon to have their U.S.\$10.5m Pinson gold venture in Nevada in production by late 1980 at a milling rate of 1,000 tons a day.

ean carrying 500 tons of the material might have ended up in

an Iseraeli port. Israel categoric

The Israelis have long insisted

they are not engaged in develop-ing a nuclear arsenal, though

experts believe the country has

the expertise to produce atom

Atomic Energy Commission officials in Tel Aviv seid that Israel was economically incap-

able of building an enriching plant that would turn yellow

cake (uranium oxide) into atom bomb material. They said it would be necessary to ship the

yellow cake abroad even to make it fit to fuel power plants.

Australia's Leichardt Explora

tion, an Adelaide-based affiliate of the Geometals-Conex group, plans to look for diamonds in

South Africa in the hope of find-ing the primary kimberlites

responsible for Atlantic coast

alluvial deposits which are mined by De Beers' Consolidated

Diamond Mines of South West

Leichardt has informed the

Stock Exchange of Adelaide that it has entered into an agreement

to acquire a diamond project in Namibia. The concession is six farms in the district of Luderitz

and Bethanie which are contiguous and measure a total of 120,000 hectares.

ACA Howe Australia have een appointed technical

managers to the company under the direction of ACA Howe's Aus-

LEICHARDT TO

SEEK GEMS

IN NAMIBIA

Africa.

ally denied the report.

#### Israel plans to extract uranium from phosphate

ISRAEL is planning to extract disappeared in the Mediterran-uraniums from the Dead Sea as ean carrying 500 tons of the fuel for nuclear power plants, according to chemical industry officials. If experiments prove successful and Israel starts to produce userium, the scheme could significantly reduce the country's dependence on foreign

energy supplies.

The plan was disclosed when reporters were shown round a new chemicals production plant under construction near Sodom on the shores of the Dead Sea.

Mr. Elyahu Teomim, DirectorGeneral of Israel Chemicais
(ICL), said company scientists,
together with the Israel Atomic Commission, were the possibility of uranium as a of phosphoric acid Energy checking obtaining by-product

Up to 60 tons of uranium could be extracted from the annual output of acid by the new plant, which is due to start operating in 1981. This would be half the amount needed to fuel a nuclear station of the size Israel might want to build in the 1990s.

America's Freeport Minerals has a 336m uranium recovery plant at its Uncle Sam phosphoric acid operation in Louislana.
First shipments of uranium oxide were made early this year from the plant. Suiphur and phosphate rock are taken to the plant where the rock is converted to acid which is then cycled uranium recovery

Israel has been denied world aid in nuclear research owing to its refusal to sign the nuclear non-proliferation treaty. There have been Press reports in recent years about alleged Israeli operations to hijack ships laden with enriched uranium for

Nuclear officials in Europe sug-gested last year that a ship which Howe.

Three directors removed

THREE BOARD members of meeting of the company last Five Oaks Investment, the pro- month. perty and housebuilding company which is recovering from serious losses, have been removed as directors following a

They are Mr. Angelo Southall, the former chairman, Mr. Renneth Richardson and Mr. Barry
Lilley. The men have been
replaced by nominees of Mr. John
Peutherer, a dissident shareholder who controls around 26
over cent of the coulty and who per cent of the equity and who called for the poll at a sjecial

from Five Oaks Board

The three new directors are Mr. Peutherer, Mr. "Eddie" Marsland who is also chalrman of Midland Industries, and Mr.

John Waldron.
In asking shareholders to reject Mr. Peutherer's moves, Mr. Southall had said that Mr. Southall had said that Mr. Peutherer was considering injecting his own residential and shop property portfolio into the company. He also proposed to close down the housebuilding side.

ings for the first half of this Reflecting the return to higher year are estimated at C\$3.64m. earnings, Canada's Sherritt Gordon Mines has raised its semiannual dividend to 40 cents, payable July 23. A total of 50 cents was paid for 1978 and 15 cents for 1977.

\* \* \*
Mining exploration expenditure in British Columbia is expected to hit a record CSSLSm this year, according to a survey conducted by the British Columbia and Yukon Chamber of Mines. Mining exploration spending in Yukon Territory is forecast at CS19.1m, an increase of 7.9 per cent on 1978.

#### Bett Bros. set to make second half recovery

PRETAX profits of Beth Brothers, building and public work contractor, fell from \$1.07m to £868,149 for the half year anded February 28 1979, on turner over down from £10.3m. to

E9.41m

But the directors say that for
the full year turnover and and
fits should be in the region of
£20m and £2.2m respectively. for the previous year, profits had declined from a record 12.86m to 2.04m. on turnover of £20.62 (£19.42m)

The net interim dividend as increased to 1p net per 20p share compared with 0.769p have year's final payment was 1.133 Net profits for the first half came out at £416,712 against £713,548 after tax, higher at £451,437 (£356,451).

## William Pickles

#### Reorganisational programme well under way

66 I cannot promise you a substantial increase in profit in the current year whenso much change is occurring but I have great faith that given a reasonable economic climate, 1980 will herald a vast improvement in our fortunes 🤧 ...

Denis S. Greensmith

The Annual General Meeting of the Company was held in Manchester yesterday. The following are extracts from the statement by the Chairman, Mr. Denis S. Greensmith, submitted to the meeting.

Our Company experienced a thoroughly had trading year in 1978 and although one can say quite iruthfully that it was not a good year for textiles in general, it was certainly a particularly bad year for those involved in the manufacture of light clothing. During the year imports in certain sections of this area of textiles had reached a penetration level of 72% and although the new Multi Fibre arrangement had been implemented, it was too late for any effectiveness to have influenced the trading pattern in that year.

Also there was a certain level of interruption in our programmes due to industrial disputes and that the strengthening of sterling undoubtedly reduced our

Faced with deteriorating profits I felt that additional fundamental changes were called for. The necessary research and development work was undertaken by a Sub-Committee of the Board. We isolated principal reasons for our lack of success. Plans designed to overcome these problems and to exploit our strengths were framed by the Development Committee: discussed at Management Meetings and finally approved unanimously by the Board.

v organisational structure is tal new investment has been approved, designed to new investment has been approved, designed to update our production facilities. A marketing approach is resulting in new merchandise ranges, the development of new trading areas and a greater penetration into our established market place. There is tremendous activity at the systems level designed to improve our efficiency, partly through computerisation and partly through a new management accounting and information system, as a basis for more effective control. basis for more effective control.

I am sure that like me, you will be wondering when all these plans will produce results. The reorganisation is already well under way and will, I settimate, be virtually complete by the end of 1979. I cannot promise you a substantial increase in profit in the current year. when so much change is occurring but I have great faith that, given a reasonable economic climate, 1980 will herald a vast improvement in our fortunes.

Results in brief Group Turnover £23,858,797 £22,925,490 Group Profit before tax £817,082 Dividends £123,816 ± £208,211



WILLIAM PICKLES & CO. LTD. 101 Portland St., Manchester M60 1EH

#### SOCIÉTÉ NIGÉRIENNE D'ÉLECTRICITÉ (NIGELEC) FINANCE FOR THE SONICHAR PROJECT

US\$ 7,000,000

TERM LOAN

Guaranteed by the RÉPUBLIQUE DU NIGER

SIFIDA INVESTMENT COMPANY

CREDIT CHIMIQUE THE CHASE MANHATTAN BANK, NA.
BANQUE INTERCONTINENTALE ARABE CHEMICAL BANK union de banques arabes et françaises - uraf. SIFIDA INVESTMENT COMPANY

SIFIDA INVESTMENT COMPANY

This announcement appears as a matter of record only

**BIDS AND DEALS** 

## Evode shares suspended

Shares in Binde Holdings. Stephen's principal assets comwhich started the day at 41p prise a Government stock holding were suspended yesternay at 51p with a current market value of pending an autonomental about \$100,000 and the freeholds. Mr. Pefer Wright Evode's of two factory premises in chairman and Mr. Andrew Simon. Folkestones Kent, which have the rempany's vice-chairman and been valued at \$250,000.

Third executive wine hold linder— For the period Movember 11, stood to be in London vesterday. 1978, to March 31, 1979, the common substidiary of and managing diversors Peritins and had riet assets at Engines, took over at Evode last March 31 of £385,322.

September following the death September following the death

region of the company's founder by
Pettin Herramin Simon.

Profit Mr. John Laimell, finance
director, said vesterday interest
in Evode, had been expressed,
over the Pears but as far as he
knew to firm had been agreed
Evode's latest results for the
year to list September, showed

preciar profits 1143,000 lower at
113 Jan The figures however Was I la El 34m first included a substantial second half

ARLEN ELECTRICAL
Arlen Electrical has exchanged
conditional contracts to purchase
Alan Stephen (Rolkestone) for

Alider Les and Brooks to realise. Sales of Murphy to March 31, some £150,000 cash for the 1979, were £405,000 and the net ensmit vendors.

DALGETY BUYS U.S. FROZEN FOOD COMPANY

Dalgety Inc., the ILS. sub-sidiary of Dalgety, has acquired, for an undisclosed sum, all the outstanding shares of Cedergreen Reser Corporation, a private company based in Wenatchee, Washington

Cedergreen is a processer of trozen vegetables with an annual turnover of 12m and after tax profits of 1250,000. The acquisi-SUNDERLAND

profits of E350,000. The acquisition will complement the present and Shields Build Farunar in December, 1977, and ing Society which has assets of Santa Fee Driscoil Packers Inc. over £100m, is acquiring South in June 1975 before in them the Shields-based Nelson and in the companies will handle Premier.

This society has assets of vegetables produced and sold in £4.6m, reserve funds of £250,000 the Pacific north west and a roll of 3,300 members.

Sunderland and Shields will lows Dalcety's acquisition in May now incorporate 15 societies.

ARLEN ELECTRICAL

Arlen Electrical has explement.

JAMES LATHAM

Alan Stephen (Folkestone) for James Latham has arquired 2420,000.

The price is to be satisfied by importers and processors. Conthe issue of 538,459 ordinary importers and processors. Conthe issue of 538,459 ordinary importers and processors. Conthe issue of 538,459 ordinary importers and processors. Continuous at 78p each Of these sideration is 38,096 8 per cent shares at 78p each Of these cumulative preference shares of 122,398 are to be placed with cumulative preference shares of institutional clients of Harris. Latham, and £20,000 cash. assets acquired amount to

The company trades as builders and plumbers' merchant with headquarters in Bournemouth, The consideration has been

satisfied partly by cash and partly by the issue of 139,000 ordinary UNITED BISCUITS

On June 28 United Biscuits (Holdings) purchased over 91 per cent of the common stock and 99 per cent of the preference stock of Specialty Brands. The offer has now become uncondi-

WALKER AND STAFF

The directors of Walker and Staff Holdings say that contracts have been exchanged for the acquisition of a freehold residenacquisition of a freehold residen-tial property investment located at Canford Cliffe, Bournemouth, at its open-market value of £90,000 plus stamp duty and legal

The consideration will be payable in cash from the company's existing resources at completion which is expected to take place at the end of September, 1979.

REDIFFUSION

Rediffusion has provisionally agreed to sell the share capital of Barbados Rediffusion Service, wholly-owned subsidiary, to a

## Carlton Real Est. buys Spartan

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nitė,

Carlien Real Estates, formarly per annum and required the products, design carried out.

General Caylon (Holdings), has bought Spartan Investments in a deal worth £131,000.

Spartan has a property part.

Spartan has a property part.

Spartan has a property part.

Schering Plough Corporation and an office building in Liver. pool. As at December 31, 1978, pour has purchased Kirkby Pharmapool. As at December 31, 1978, pour all properties being yailed at midisclosed amount of cash.

The spartan had not respect to the conducts of midischall for an increase of the conduct of cash.

The spartan had not respect to the conduct of cash.

Carlien Real Estates, formarly per annum and requirels out.

Works are being carried out.

Works are being carried out.

SCHERING-PLOUGH

Shering Plough Corporation and an office building in Liver.

By our annum and requirels out.

Works are being carried out.

SCHERING-PLOUGH

The deal was incorrectly stated yesterday.

SHARE STAKES

Share 100.000 shares bringing in jectable and opthalmic grugs and proprietary medicines, a conduct of the conduct of the conducts the own pharmaceutical research activities and conducts the own pharmaceutical research activities.

Staffordshire Potteries—

Temple Bar Investment Trust, a second conduction of the conduction of the conduction of the conduction of the cash of th

Carlton has place sendred for macr manufacturer for other a total consideration of £161,000 pharmaceutical research activity arious reversionary stop properties in South London, and a persist of South London, and a vacant unit adjacent to E. W. VICKERS/OUAY after the purchase of 315,000 ordinary (9.6 per cent) after the purchase of 315,000 ordinary.

The Maidenhead agency has put on substantial new business with all the signs of continued put on substantial new business, while the Britist agency has expanded operations agency has property has expanded operations agency has now interested in gaining a number of new accounts. Benefit from these is expected in the current year.

The Maidenhead agency has put on substantial new business with all the signs of continued good business, while the Britist agency has put on substantial new business with all the signs of continued good business, while the Britist agency has put on substantial new business with all the signs of continued good business, while the Britist agency has put on substantial new business with all the signs of continued good business, while the Britist agency has put on substantial new business with all the signs of continued good business, while the Britist agency has price agency has put on substantial new business with all the signs of continued good business, while the Britist agency has property has expanded operations agency has put on substantial new business with all the signs of continued good business, while the Britist agency has expanded operations agency has property has property has property has property has property has expanded operations agency has property has p

Solomon Nasser has acquired a further 10,000 shares, bringing his total holding to \$70,000 shares.

## J. Grant up in first quarter

Grant and Co. (East) are ahead of the comparable period last year, Mr. H. Oppenheim, chairman, says in his annual statement. And it would appear the house furinshing group can look forward to another satis-

factory year. Taxable profits in the year to January 31, 1979, rose from £788,000 to £1,155,000, on lower turnover of £13.38m, against £14.41m.

Thomson McLintock, auditors, say no depreciation is provided on freehold properties. contrary to SSAP 12. The direc tors consider freehold properties are fully maintained and are con tinually appreciating in value and it would be unrealistic to provide depreciation.

The company has "close Meeting, Edinburgh, July 1

ROTAFLEX Rotafiex (Great Britain) ha hanged its name to Concor-

Rotatlex.

increase in profit

cate increased profitability within the Brunning Group, the London-based advertising agency, and profits should rise in the current year, Mr. Geoffrey Brunning, chairman, says in his annual statement.

As reported on May 31, pre-tax profits slipped from £814,672 to fr68.146 in the year to March 31, 1979, on higher turnover of specific of weekly seem of week £28.44m (£26.1m).

view suffered from industrial disputes at the beginning of 1979, notably a loss of revenue through the National Union of Journalists' dispute and the lorry drivers' strike. Further income was lost because of slimmer national newspapers. In all, these cancellations have been calculated to have cost more than £50,000 in net profit.

#### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are no avoilable as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY Interims—Lincroft Kilgour, SGB Sotheby Perke Bernet, Winterbotton Trust.
Finels—Gco. Bassett. Carloss Capel and Leonard. Henderson-Kenton. Importal Continental Gas Association. London and Midland Industrials. A.

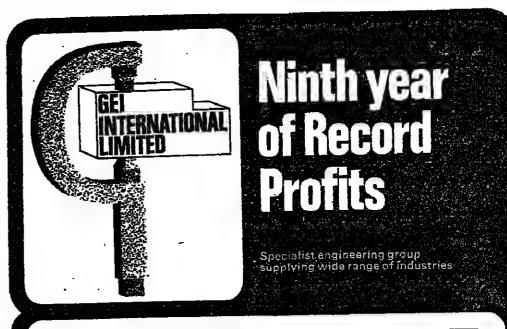
	PUTURE DATES
	FUIDRE DATES
	Interim—
	Parambe July 19
	Finals—
	Benn Brothers Aug. 8 Celestion Inds July 5
	Celestion Inds July 5
	Dowty July 19
	Firch Lovell July 26
₽	General Electric July 5
	Ochciol Lieutile
	H.A.T. July 17
	Inchcape July 26
	Marston Thompson and Ever-
	shed July 13
	Mever (Montague L.) July 16
	Darkmana International July L.
	Russell Brothers (Paddington) July 2
	Sturie Moidings altri
	Textured Jersey July 11
	Claritad British Securities July 10
ŀ	Weddington (John) July 4
ı	Warner Holidays July 9

## Brunning chief sees

PRELIMINARY BUDGETS Indi-cate increased, profitability especially in the automotive mithin the Running Group, the fields, The Liverpool agency fields. The Liverpool agency has been through a period of consolidation, while in Yorkshire considerable progress has been made in billing and profitability. Manchester has gained a number of accounts which will help the

another record year. The distri-bution of weekly newspapers has increased substantially, with The chairman says group increased substantially, with new launchings in the pipeline. In boat building, sales in the view suffered from industrial first three months of 1979 were first three months of 1979 were non-existent because of the weather, but a new 820 motor cruiser was introduced success-fully at the London boat show and considerable money is being spent on model development and

> Novolor, the precision glass work company, is increasing sales and demand. At Kennet Press, the future order position appears to be good and prospects reasonable.



Turnover Pre-tax Profit Earnings per Share Total net Dividend	1979 £51·34m £6·16m 11·8p 4·628p	March	1978 £50·48m £5·55m 10·6p 4·152p	up 1·7% up 11% up 11·8%
---	--	-------	--	-------------------------------

Chairman, Mr. Thomas Kenny, FCA reports:-

- Against handicaps of bad weather in January and February and lorry drivers' strike a profit improvement of 11% to £6-16m is most satisfactory.
- \* Exports increased almost 10% to £6-41 m.
- Profit margins improved, resulting from sustained programme over the years of modernisation of plant and machinery.
- Further programme of capital expenditure for 1979/80.
- \* Financial condition remains excellent.

Principal members of the Group Steel Stampings Commercial vehicle wheels

and heavy pressings Pressure vessels Engineering Gear cutting Barlow & Chidlaw Tanks and cab bodies

Musgrove & Specialised welding Welders N.V. Midland Bright Bright bar **Drawn Steel** A. E. Godrich

(Nottingham)

& Son Steinless steal wire Hemmings M.C.L. & Repetition The Castle

Automatic turned parts Automatic turned parts Engineering Co

Variable speed drives Alispeeds industrial hydraulic Webtool Hydraulics James Raistrick Iron castings Bakery ovens Andrew

Denholm Mixing equipment and Machines gear cutter sharpening Collette N.V. machines Wrapping and Aurto

packaging machines Wrappers (Norwich) Packaging machines Ayers & Grimshaw Labelling and filling Purdy Machinery Co machines

Copies of the report and accounts are available from the Secretary



Drum

Closures

GEI International Ltd., West Street, Dunstable, Bedfordshire, LU6 17A.

Drum classing rings

# — Sheepbridge Engineering Ltd. Encouraging signs after a year of exceptional difficulties

The Annual General Meeting of Sheepbridge Engineering Limited will be held on the 26th July in London.

The following is an extract from the statement by the Rt. Hon Lord Aberconway, the Chairman, circulated with the report and

Recommended Offer from Guest, Keen and Nettlefolds, Ltd.

Shareholders may have seen an announcement in the Press on May 26th of an offer, verbal at that stage, received on May 25th for the whole of the capital of the Company from Guest, Keen and Nettlefolds, Ltd. The offer of two GKN shares of £1 for every five Sheepbridge shares of 25p, represented a capital premium, based on the market prices of the shares at the close of business on May 25th, of nearly 70%, and an increase in income of over 45% based on the dividends of GKN for the year ended 31st December 1978 and those of Sheepbridge for the year ended 31st March 1979. The directors, greatly optimistic though they were, and are, as to the future of the Company on its own, nevertheless considered that, in the interests of shareholders, this was an offer which they should recommend. This they have done unanimously.

From the standpoint also of our employees at all levels the directors hope that shareholders will accept the offer. The increased strength given by belonging to a group some twenty times the size of Sheepbridge, and with widespread overseas con- works had interrupted and reduced our production Our Customers

nections, should facilitate development of the activities of Sheepbridge and should enhance prospects of individual advancement.

The directors, in what is likely to be the last Chairman's Statement of Sheepbridge Engineering Ltd. as a quoted company, wish to place on record their appreciation of the help and support given to them and to their predecessors over the years by employees at all levels. Sheepbridge Coal and Iron Co. Ltd. in which the Company had its origins, was incorporated one hundred and fifteen years ago, and has throughout that time contributed appreciably to the growth and prosperity of British industry and technology. If, as seems probable, the activities of Sheepbridge will in the future form part of GKN, we could not have found a more sympathetic or more progressive background against which those activities will continue to advance. . .

Results for the Year

The consolidated profit before tax for the year to 31st March 1979, was £4,466,000 compared with £5,560,000 for the previous year.

Our Interim Statement foreshadowed lower profits for the year. Even so, the outcome is particularly disappointing after the excellent progress achieved in recent years. The year was one of the most difficult since the Group was formed in .: 1948. The reduction in profits was due largely to factors beyond our control. As I said in our Interim Statement, strikes at many of our customers'

troubles became even more accentuated in the second half of the year. There was in our own organisation a strike during the year at one of our establishments, which lasted for five weeks; and although in the second half of the year we had no major labour difficulties, problems and disputes arose from our employees' reaction to our firm compliance with Government pay policy.

> To add to our difficulties, the national road haulage strike early in 1979 not only disrupted and reduced our own production and increased our costs: it also played

havoc with our customers' production schedules so that we were in many cases stopped from delivering.

Sales lost because of strikes, or indeed for any other reason, are, as a rule, seldom, if ever, made up. Last year proved the rule. Accordingly the value of our despatches in the financial year was only some 9% more than in the previous year: and so, after allowing for the effect of inflation, there was no overall increase in volume.

Summary of Results	1978/79 £000	1977/78 £000
Sales to external customers	63,836	58,592
Group profit before taxation Taxation Profit after taxation Dividends Earnings per share Dividend cover (times)	4,466 902 3,564 1,690 9.2p 1.9	5,560 955* 4,605* 1,515 13.1p* 3.0*

\*Restated following change in accounting policy for deferred taxation

The big reduction in demand for pistons and cylinder liners used in diesel engines for tractors and farm machinery, which started a year or more ago, continued for most of the year under review. In the last quarter of the year a welcome improvement became apparent in the demand from tractor engine manufacturers for engine components. There was also some growth in orders taken by Group companies not making engine components. These more recent hopeful signs, however, came too late to have any appreciable effect on the financial year to 31st March 1979 although, by enhancing our order books, they have given a better start to, and indicated an improved activity in, the current year.

These encouraging signs, coupled with results for the year which, in retrospect, could have been much worse, augur promisingly for the future. We believe that the market for internal combustion engines will improve further and that our expansion plans put in hand a year ago will prove to have been wisely conceived and timed.

The difficulties to which I have referred were not experienced by Hardinge Machine Tools Ltd., nor by Ritemixer Ltd., each of which had an excellent year.

Dividends

In the circumstances of the offer from GKN, the directors decided to pay on 10th July 1979 a second interim dividend, in lieu of a final dividend, of 2.51p per ordinary share. This, with the earlier interim dividend of 2.2333p paid on 1st January 1979 makes the total dividend for the year 4.7433p and would have given, before the proposed change in Advance Corporation Tax announced by the Chancellor, a total dividend increase of 10%, in gross terms, for the year compared with the previous year.

In the 1979 accounts we have adopted the Accounting Standard on deferred taxation that was issued by the U.K. accountancy bodies in October 1978. In the consolidated balance sheet the sum of £6,745,000 has been transferred from deferred taxation to reserve; this, and the year's retained profit, have increased shareholders' funds to £27.8m and the net asset value per share to 78.6p.

Conclusion

The year, as I have said, was difficult and this was not of our making. In the event we came out of it not too badly, sad though we were to see a reduction in profit. We remain confident in our management, our technical ability, our commercial expertise, and our manufacturing facilities. We believe that industrial relations in our main customers' businesses must and will be resolved: this country cannot afford otherwise. Despite our extensive export of engine components, we must remain, for that substantial part of our trading, largely dependent on the British automotive industry. Once the cloud of industrial strife is removed from the horizon of our main British customers, the sun should shine on our activities.

Our energetic management team has done splendidly in a year of exceptional difficulties and has shown its ability to take full advantage of any improvements in business trends. To this team, and indeed to employees at all levels who have striven to mitigate the tribulations of a difficult year, we give our thanks.

SHEEPBRIDGE ENGINEERING LTD. Chesterfield, Derbyshire, England.

وبخ تتندز

# Pegler Hattersley

- Sales increased by 10% to £95.8m. World markets continued to be very competitive, but rising expenditure on home improvements brought a welcome recovery in demand for building products.
- Profit from trading operations improved substantially, and the upward movement in copper prices resulted in an additional gain on metal stocks. Results from associated companies, on the other hand, were less good. Group profit overall rose by £1.6m to £14.2m.
- Earnings per share increased by 19% to 31.1p.
- In manufacturing, the new continuous casting plant at Doncaster came into operation in the year and work began on a major project for modernisation and expansion of the Ormskirk iron foundry.
- "Present order books are good. It is difficult at this stage to predict the outcome of trading in the current year, though I would expect us to maintain our position in the trade and to improve it if that is at all possible."

#### **SUMMARY OF RESULTS**

1978 1979 £000 £000 12,581 Profit before tax 14,210 9.130 7,669 Profit after tax 26.1p Earnings per share 31.1p Dividend per share (net)



8.581p 7.685p

Copies of the full report and accounts are available from The Secretary. Pegler-Hattorsley Limited St. Catherine's Avenue, Doncaster DN4 8DF. INDUSTRIAL VALVES - DOMESTIC PLUMBING FITTINGS - RADIATOR VALVES **FABRICATIONS AND DESAUNATION EQUIPMENT** 

## The dilemma over local government spending

BY MICHAEL COWAN

louder than words, and by announcing a firm intention to local authorities' rate support grants in the cur-rent year by £300m when the calculation is made in November, the Government has certainly acted. The rest, however, at this stage is mere

The Chancellor's budget cuts on the expenditure side fall almost wholly on capital, and so far as councils are concerned for the most part the traditional paper cuts with little real effect. The largest single cut is £270m (including land acquisitions) on council house building, which the Government itself admits is merely the elimination of an overprovision in allocations brought to light by consistent under spending in the past couple of years, plus an £85m cut in municipalisation offset by a £100m increase in improvement grants. The net real effect on councils is probably a cut of £25m in capital-about onehalf being reductions in education—and nothing at all in current spending.

However, the Government has asked councils to reduce their current spending by 3 per cent below the £12.04bn relevant expenditure accepted by the Government in the 1979-80 rate support grant settlement last

local authorities traditionally budget for a level of expenditure above the actual settlement figure—in 1979-80 by 3.5 per cent—the total cuts proposed by the Government represent 6.5 per cent of budgeted expenditure. Nevertheless, local authorities rarely spend the full budget amount.

For 1980-81 the Government has instructed the joint civil service/local authority association expenditure sub-groups to cuts of 2.5 per cent. 5 per cent, and 7.5 per cent below the last public expenditure White Paper targets, which allowed for a real increase of 1.0 per cent. But nothing has yet been decided.

Given this background information, plus some official and unofficial figures, it is possible to produce the probable arithmeric of local finance for this ear and next, as set out in the lables. The first column of Table 1 sets out the calculations behind last November's rate support grant settlement: total current spending was assumed to be around £12bn (1.5 per

ACTIONS undoubtedly speak cent up on the expected outturn 3 per cent cut in spending this-louder than words, and by for 1978-79) and inflation dur-announcing a firm intention to ing the year was estimated— a cut of this order in councils. ing the year was estimated— purely on the basis of Government policy rather than reality
—at £835m. With a notional rate support grant of 61 per cent, the former Environment Secretary, Mr. Peter Shore, had hoped that councils would be able to hold their average the original target. domestic rate increases below 10 per cent by drawing on bal-ances to the extent of £100m. Column two shows how council; actually budgeted: planned cur-rent spending is 3.5 per cent to next year's settlement. ...

> vision for inflation £340m higher. Average domestic rate bills were increased by 18.5 per cent, leaving planned drawing from balances of nearly £500m. to meet the shortfall. Table 2 shows that, for once, councils as well as the Government have been unduly optimistic about the course of inflation in the current year: instead of extra cost; of £1.18bn assumed by treasurers, the outcome is likely to be £1.5bn, or even more, if the comparability com-mission turns out to be

above the guideline and the pro-

#### Stick to plans

If, therefore, councils stick to their expenditure plans they will have to increase their calls on halances by a further £260m, making a total of £750m out of the £1.4bn they are thought to have had available at the beginning of the year. Nobody, however, seriously believes that councils would have spent up to the limit of their budgets. In the light of recent experience, a reduction of £200m-£250m would have been likely, which means that even after the Chancellor's £300m cut they could have got by with the planned £500m withdrawals from balances. In short, so far as the current year is concerned, the effect of the Budget cut can hardly be thought of as disastrous. Column 3 of Table 1the sort of figures likely to have been presented to the Chancellor -shows that if councils stick to last November's expenditure guidelines, then even with the substantially higher inflation now likely to be encountered and the cut in rate support withdrawais balances could be even less

than budgeted. The final column of Table 1 illustrates the sort of optimistic spending figures that the Environment Secretary must have

weak since it would amount to nothing more than a request to tick to last year's settlement figures — hence the figures assume a cut of 3 per cent below basis, if they were achieved and is better seen as a precursor

arithmetic of next November's rate support grant settlement. The Government is talking. about cuts of 7.5 per cent below the current White Paper targets, so 5 per cent is perhaps plausible. Whether coucils will comply after the past few lean years is much less certain Given the figures, however, a cut in notional rate support grant to 59 per cent from this vear's original 61 per likely to be an actual 58-59 per cent—would imply average domestic rate increases of 16 per cent. This is perhaps not unrealistic. The trouble is that in fixing the rate support grant, governments invariably face a dilemma that no modern Protagoras has yet been found to resolve: if they hold down the rate support grant, councils may make up the shortfall from the rates—thus pushing the average increase up to unwel-come (to the Government not if to avoid this possibility they increase the grant, the councils may choose to levy the same

money instead. Hence the anxious speculation in local government circles that the Government might try the dilemma by either reforming the grant arrangements so as to allow it to publicise what should be, or, worse, actually to legislate to take away councils' independence. Either course council's generally and with the Conservative - controlled local authority associations.

sector borrowing allocations (severely cut by Mr. Shore) so that less capital need he charged directly to revenue. This would, however, increase the public sector borrowing requirement. Instead, the Government could had in mind when he called for increase domestic relief at the

Financial Times Tuesday July 3 1979 LOCAL AUTHORITY REVENUE ACCOUNT 1979-80

1. 200	Government guidelines	'harløet	· TEDSSLINU	outturn
	Nov 1978	returns .		20
At Nov. 78 prices Current expenditure		. 2000		_ Z01
Current expenditure	563	569	560	-56
Capital ex-revenue Inflation to outturn .	835	1,175	1,470	1,47(
At outturn prices Loan charges	1,383	1,417	1.412	1,412
Rate contribution to	- 283	372	372	372
Interest receipts	— 156 	−195 71	—195 71	
Other		<u> </u>		ن المراكزة المراكزة المراكزة المراكزة ا
Total revenue expenditure	15,011	15,858	15.743	15,385
less Covt. grauts	9,126	9,149	9:161 -	9,161 681
add-domestic reilei	00*	101-	681 101	101
less collection costs	90 6,379	6,798	6,798	6,79
Reduction in balances	100	491	6,798 349	

Possible outturns: A—if councils hold current spending to their accumulated balances at settlement level; B—if councils cut current spending to 3 all. This is unrealistic, however, cent below settlement.

nate Joan D correction		
Table 3 gives some purely		Ext
lustrative figures for the		Original Possible ov
rithmetic of next November's		Original Fusione of
ate support grant settlement		eash actual ea
he Government is talking		fin fm fi
bout cuts of 7.5 per cent below		185 10.8% plus 420 22
ne current White Paper targets,  5 per cent is perhaps	Teachers (April 79) 5%	100 10.070 10.07
lausible. Whether concils will	Professional and admir. Star	93 9% 176 T
omply after the past few lean	(2017) - 0	93 say 145 S
ears is much less certain	Police (Blay)	
Given the figures, however, a		25 9% 30
		97 9% 10
rant to 59 per cent from this	MENTINGE (140) 40)	100
ear's original 61 per cent-		
kely to be an actual 58-59 per		536 1,133 59
ent—would imply average	Prices 8%	330 10% 420
omestic rate increases of 16		
er cent. This is perhaps not	Maria Cara Cara Cara Cara Cara Cara Cara	866 1,553 58
nrealistic. The trouble is that,	Income adjustment	31 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18
rant, governments invariably		835 1,515 680
ce a dilemma that no modern		
rotagoras has yet been found		£1.175
resolve: if they hold down	Free grant after £300m Cut	35 1,210
e rate support grant, councils		305
ay make up the shortfall from		30D
e rates—thus pushing the	EXPENDITURE, GRAN	
me (to the Government not	EAFEIGDITURE, URAN	
ast) levels: on the other hand,		
ast levels, on the other thand,	MI MUARITHET TOTO LITTLE	John Davice views . J. 18

1.0	EXPENDITU	RE, GRANT	AND KA	TES: 1960	- 4
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AL Nover	sber 1978 pri	- 1070 White	. Domer i	niana	12 101
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innation	to officers t	919-00	in taning a series	- Table 1	4 F - 74
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THESTION	nber 1978 priexpenditure ; x-revenue :: to outturn 1 cut :: to outturn 19	On-OT WI TO 10		7	
					15.582
At vactu	m prices arges				1.500
Dista com	- An endland	annell bossel	ner -		271
Totale Cou	maranta to t	Junear House		The state of the state of	150
Othor	receibre				3
omer	receipts	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1			12.0
Total res	renue expend ernment grad of domestic	liture didica			17.388
Less Gov	ernment gran	rts at 599K	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1 to 1 at A.	10-260
Add cost	of domestic	relief		77.77.28.5	7 7685
Lèss coll	ection costs				126
		117	1963 1973	range garage of the party	
Rate room	ifrement 198	0-81			(1) (17) ( <b>才)(68</b> )
				5 (53.5 5 5 7 )	
Average	general rate	(1p—£69m)			111.50
INATAREA	atat 1974.41			1 1	13.2%
Average	domestic rat	e			92.3
Increase	domestic rat over 1979-80			dinamental de la companya de la comp	16.1%

expense of commerce and indus- faces a difficult settlement-next try, which would hardly be in year. accord with current fiscal policy, or actually reduce it so as to squeeze councils politically.

Mos Gives:



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INTERNATIONAL SUMMER SCHOOL 1979

## **Financial Management** for the Non-Financial Executive

LONDON JULY 9-20 1979

The increasing amount of accounting and financial management needed to run a modern successful business is placing great strains on middle and senior management not trained in accountancy. To meet this problem, the Financial Times and The City University Business School, of London, have arranged a two-week course entitled 'Financial' Management for the Non-Financial Executive' to be held in London from July 9-20, 1979.

This course was last held in 1978 and attracted substantial support from Britain and abroad. The suggestions of tutors and course participants in 1978 have been taken fully into account in preparing this year's. programme and the sponsors believe its value will have been increased still further.

The course will be headed by a former finance director of a major industrial company and a merchant banker, and the panel of 22 distinguished lecturers are drawn from universities, commerce, accountancy and banking. The participants will be divided into studygroups of fifteen people headed by a group leader. The ten days of instruction are broken down into lectures; case studies and various group exercises so that the students take an active part in the programme.

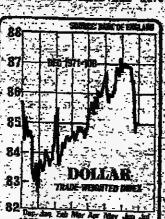
Apart from being a thorough two-week programme of studies the Summer School also offers an authentic insight into workings of the City. of London and provides opportunities for making useful contacts with people and institutions.

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ADDRESS			
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## Pound strong

Stering continued to improve for the day but was slowly yesterday as high interest rates bolstered to show a rise against and Biltain's move towards self the D-mark to DM 1.8415 from slifficiency in oil generated fur. DM 1.8829 on Friday and SwFr ther demand. The U.S. dollar L6555 against SwFr 1.6550 in finished at around its best level terms of the Swiss france. The inissied at around its best level terms of the Swiss franc. The for the day against many curren Japanese yen was also weaker cles, but only after continued with the U.S. unit improving to central bank intervention. Y218.20 from Y217.75. On Bank Sterling opened at \$2 1825 at of Engine figures, the dollar's eased to \$2 1800, which probably trade weighted index eased very signalled early activity by the slightly to \$5.0 from \$5.1.

central banks. However by noon, FRANKFURT—The dollar was further dollar sales had deve fixed lower against the D-mark at DM 18391 compared with



145

.76 175 193

133 420

553

305

leped and the pound reached: \$2,1900. Demand during the afternoon pushed up the rate to \$2,1930-2,1940 but further dollar support, including intervention by the U.S. Federal authorities a contrary trend against its Lass saw the rate ease to a closing partners. The dollar was quoted level of \$2,1830, a rise of \$2,1830, a rise of \$5 points, and its best closing of \$1,832,70 while the D-mark rose level for nearly four years.

Sterling's rise was reflected in its trade, weighted index, which its trade, weighted index, which from \$1,94.43. Sterling was also rose sharply to close at 70.7 from firmer at \$1,714.55 against \$1,55, having stood at 70.0 at noon and \$6.9 in the morning. Last night's closing calculation was its lightest since March 1876. The at \$217.775 compared with \$227 compared by the U.S. Federal authorities

FRANKFURT—The dollar was fixed lower against the D-mark at DM 18391 compared with Friday's level of DM 18482, but was slightly above its opening level of DM 18380. The Bundesbank bought a token DM 245m at the fixing with interventible not by evidence at intervention not in evidence at any other time.

BRUSSELS - The franc was fixed at BFr 16.02 against the D-mark, unchanged from Friday, but still close to its floor level of BFr 18.0740. The dollar lost ground against the franc and was quoted at BF129.45 compared with BF129.615 previously. The Belgian National Bank was reported to have given around DM40m in support of its currency, although sterling improved to BFr.64.52 from BFr.64.225 as did the Danish krone to BFr.5.825 from

MILAN—The Bra improved against the dollar but eased in a contrary trend against its EMS partners. The dollar was quoted

BFr 5.5815.

EMS EUROPEAN CURRENCY UNIT RATES

Changes are for ECU, therefore positive change denotes a week outrancy. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD								
y 2 ·	Day's spread	Close	One month	% p.a.	Three months			
i, Pada Ihind, Bium	2.1800-2.1840 2.5490-2.5630 4.40 <sup>7</sup> -4.44 <sup>7</sup> - 64.15-64.70	. 64.55-64.65	0,78-0.68c pm 0.88-0.78c pm 2 <sup>7</sup> a-1 <sup>7</sup> ac pm 20-10c pm	3.89 6.43 2.78	1,70-1.60 pm 1,95-1.85 pm 61-57, pm 60-50 pm			
nmark	11,52-11,63	11.60 - 11.61 2	par-2ore dis	-1.03	fore pm-1 dis			

,s,	2,1800-2,1940	2.1880-2.1890	0,78-0.68c pm	4,63	1.70-1.60 pm	3.7
brada	2.5490-2.5630	2.5575-2.5585	0.88-0.78c pm		1,95-1.85 pm	2.9
lethind.	4.40 - 4.44	4.421-4.431.	27,-17,c pm	6.43	6 <sup>1</sup> 2-5 <sup>2</sup> 7 pm	5.4
ខន្លែដែល	64.15-64.70	64.55-64.65	20-10c pm	2.78	60-50 pm	3.4
enmark	11,52-11,63	11.60 - 11.61 -	par-2ore dis	-7.03	fore pm-1 dis	<b>5 7</b> 2
reland	1.0620-1.0675	1.0660-1.0670	25-35p dis	-3.37	82-92 dis	-3.2
V. Ger.	4.003-4.043	4.02%-4.03%	31-23pf pm	9.30	8 <sup>2</sup> 2-7 <sup>2</sup> 2 pm	7.5
Ortugal	106.70-107.70	106,85-107.25	30-90c dis	-6.72	100-200 dis	-5,6
pain	144.40-144.70	144,50-144,60	50c pm-par		76-25 pm	1.3
tały	1,8113-1,8163	1,8124-1,8134	4 fire pm-14 dis	-0.03	112-312 dis	-0.8
lorway	11.05 - 11.13 -	11.12-11.13	5-3ore pm	4.31	15-13 pm	5.0
194CB	9.29-9.35-2	9.344-9.354	31 <sub>2</sub> -21 <sub>2</sub> c pm	3.85	7-6 pm	2.7
wadan	9.28-9.332	9.31 <sup>1</sup> 2-9.32 <sup>1</sup> 2	212-1-ora pm	1.53	8-6 pm	3.0
apan .	473-480 ·	477-478	410-380y pm	9,33	9.85-9.55pm	8.1
Lustria	29.45-29.65	29.58-29.63	22-12gro pm	5.89	53-43 pm	6.4
W 12.	3.81-3.64	3.82-3.63	45-35c pm	73.65	124-114 pm	12.8
- ·-						

Seigisn rate is for convertible francs. Financial franc 67.60-67.70c pm. Six-month forward-dollar 2.97-2.87c pm; 12-month 5.00-4.90c pm.

#### THE DOLLAR SPOT AND FORWARD

July 2	Day's spread	Close	One month	%. p.a.	Three months	% p.a
UKt	2,1800-2,1940	2.1880-2:1890	0.78-0.68c pm	4.00	1.70-1.60 pm	3.0
retand†	2.0510-2.0575	2.0510-2.0560	1.55-1.35c pm	8,47	3.35-3.30 pm	6,4
Canadat	85.51-85.58	<b>35.55-35.58</b>	0.03-0.01c pm	0.28	0.04-0.01 pm	0,1
Nethind.	2,0195-2.0215	2.0195-2.0215	0.50-0.40c pm		1,35-1,25 pm	
Belgium-	29,411-29,51	29.49-29.51	par-2e dis	-0.47	per-2 dis	-0.4
Denmark	5.2775-5,3075	5.3050-5.3075	1.25-1.75 ore dis		4,25-4.75dls	-3.39
W. Ger.	1.8385-1.8425	1.8415-1.8425	0.82-0.72of pm		2.20-2.10 pm	4,67
Portugal	48.83-49.00	48.93-49.00	36-45t die		90-130 dis	-8,96
Spain	66.03-66.10	88.07-86.10	10-20c dis		40-50 dls	-2.7
Italy	828.90-829.80	828,90-829,30	2.50-3.25 lire dis	-4.18	6.50-7.50dis	-3.36
Norway	5.0640-5.0850	5.0840-5.0850	0.70-0,20ore pm		2.40-1.90 pm	2.4
France	4,2675-4,2725	4.2700-4.2725	0.02c pm-0.08dis		0.05-0.25dts	-0.14
Sweden	4.2530-4.2580	4.2570-4.2580	0.10ere pm-0.10		0.20 pm-par	0.9
Japan	217.85-218.30	218.10-218.30	1.15-1.00y pm	5.91	2.80-2.85 pm	4.99
Austria	13.49-13.53	13.52-13.53	4.25-3.50pro pm		13-17 pm	3.5
Switz:	1.6535-1.6565	1.6555-1.6565	1.45-1.40c pm		4.10-4.05 pm	9.8
t UK. In	iend and Can	eda am aunte	el la IIO euron	ness.	Forward nra	niums

and discounts apply to the U.S. dollar and not to the Individual current

CURRENCY	CURRENCY RATES					
July 9	Bank of England Index	Morgan Guaranty changes 2	June 29	Sank rate %	Special Drawing Rights	European Currency Nail
Sterling U.S. dollar. Consolin dollar. Austrian schilling Belgian franc Danish kroner Deutsche Mark Swiss franc Guilder French franc	113.9 123.9 151.6 198.1 123.5	-35.1 -8.3 -17.9 +19.2 +15.5 +2.7 +42.4 +42.6 +18.7 -6.9 -49.0 +29.5	Sterling	8 6 7 812 1012 414	1.29110 1.50775 17.6364 38.2359 6.85574 2.38621 2.62093 5.53236 1075.16 280.169 6.58203	0.529803 1.36447 1.39274 10.5296 40.4155 7.84843 2.52222 2.77055 5.84606 296.772 6.96425
Based on trade we Washington agreen (Bank of England i	nent Dacer	nber, 1571	Spanish Pes Swedish Kr Swiss Fr	B   B12	85,3229 5,52562 2,14735	90.0890 5.83788 8.26911

OTHER MA	RKETS
The second name of the local division in which the local division is not to the local division in the local di	The real Property lies
July 2	. 4

July &	&	S		Note Rates
Argentina Peso.	2837-2893 1.9530-1.9570	1295.1522	Austria	29-30 66.80-67.80
Australia Dollar Brazii Cruzeiro	55.50-56.50	25.35-25.82	Denmark	11.44-11.54
Finland Markka i Greek Drachma	79.133-81.036	36.16-37.03	France Germany	8.92-4.0212
Hong Kong Dollar.	158.74-166.16	72.50-75.50	Japan	1,765-1,80 <del>5</del> 465-475
Kuwalt Dinar (KD Luxembourg Frc.)	64.55 64.65	29.50-29.52	Netherlands Norway	4.34-4.44 11.00-11.10
Majaysia Dollar New Zoaland Dir.	4,7544-4.7680	2.1705-2.1720	Portugal	102-106 141-145
Saudi Arab. Riyal Singapora Dollar.	7.27.7.87	3.3795-3.3805	Switzerland	5,50-3,50 2,161 <sub>3</sub> -2,171 <sub>2</sub>
Sth. African Rand	1.8475 1.8575	0.8440-0.8488	Yugoslavia	40-48

Rate given for Argentine is free rate.

#### EXCHANGE CROSS RATES

E VILLE	Poundatering	U.S. Doner	Deutschem 1	Japan'se Yan	FrenchFranc	Swies Franc	Dutch Gulld'r	Italian Ura	Canada Dollar	Belgian Fran
Pound Sterling	0.457	2.189	4 055 1.843	477.5 ~: 219.2	H.540 4.271	3.625 1.686	4.430 2.024	1013. 828.5	2.558 1.169	64.50 29.52
Deutschemark	0.248	0,548	5.445	118.4	9 518	. 0.899	1.099	449.7	0.634	18.08
Japanese Yan 1,880	2.094	4,588		1000.	19.58	7.592	9.277	4797.	5.357	185.5
French Franc 12	1.070	2,541	4.814	510.6	10.	3,878	4.739	1940.	2.757	59/11
Syds Franc	0.276	0,604	1.119	181.7	2.579		1.222	500.2	0.706	17,82
Dutch Gulder	0.226	0.494	0.918	2, 107.8	9 110	0.818	2.445	409.5	0.577	14.58
Italian Line 1990	0.651	1,207	2.994	_2, 298.3	_ 5 155 _	1.999		1000	1.411	55.55
Canadian Dollar Belgian Franc 100	0.891	0.886 8.688	1,576 6,242	186.7 759.2	8.654 14.47	1.417 5.611	1-752 6-858	706.9 2607.	3.960	25,25 . 100.

EURO-CURRENCY INTEREST RATES

-The following nominal rates were ground for London dollar sentificates of deposits one month 10.45-10.55 per cent; three months 10.35-10.45 per cent; six with 10.40-10.50 per cent; three week 10.05-10.45 per cent; six

A contract of the state of the		7 T T T T T T T T T T T T T T T T T T T						
July 2 Sterling	U.S. Dellar Del	dlen ier Dutch Gulide	Swiss Franc	West German Mark	French Franc	Italian Lira	Allan B	Japanese Yen
three months 141, 1414	1024-1084 912 107-1044 1058 1 1044-114 1084 1 1844-104 1084	101g 714-71g 101g 714-71g 11 - 71g-81g 11 - 81g-81g 11 91g-914 101g 84g-92g	11-14- 11-14-24-24	5% 516 585-54 513-516 614-616 616-616 618-7	81g-9 81g-9 101g-107g 11-1114 1114-1119 1114-1119	15-16 16-17 18-14 13-14-14 13-14-14 13-14-15	10/2-10/6 10/2-10/6 10/2-10/6 11-11/6 10/2-10/6	515 7 16 516 416 616 5 1 616 616 616 616

Long-term: Eurodoller: two years \$5,100 per cent: three years \$1,10 per cent; four years \$2,500; per cent; set, Shotz-term rates are pell for starting. U.S. dollars and Canadian dellars two-day cell for starting. five years \$15 M. \$15 per cent nominal closing Swiss france. Asian rates are closing rates

#### INTERNATIONAL MONEY MARKET

## U.S. rates steady

Treasury bill rates; were generally steady in early grading in New York yesterday with 13-week bills at 8.22 per cent one of the common money was against 8.925 per cent and 5.905-90 per cent on Friday and remained weak within the EMS. The three-month rate eased to have any significant impact on against 8.92 per cent and 5.905-90 per cent on Friday and remained weak within the EMS. The three-month rate eased to have any significant impact on against 8.92 per cent and 5.905-90 per cent from 6.55-6.65 in the three-month rate eased to per cent significant impact on friday and remained weak within the EMS. The three-month rate eased to per cent significant impact on friday and remained weak within the EMS. The three-month rate eased to per cent significant impact on friday and remained weak within the EMS. The three-month rate eased to per cent significant impact on friday and remained weak within the EMS. The three-month rate eased to per cent significant impact on the belgian franc commanded weak within the EMS. The per cent with 12-month money at 3 per cent against 8 per cent with 12-month money at 3 per cent to money at 3 per cent in failed to have any significant impact on the was unificant impact on friday. While one month money at 3 per cent against 8 per cent with 12-month money at 3 per cent sir-month money was quoted at 93-93 per cent in the discount rate, at present were quoted at 104-114 per cent serious common close of 11-12 money rates were generally per cent. Six-month deposits from the cent with 12-month at 94-10 per cent uniformed to the per cent in the discount rate, at present serious common close of 11-12 money rates were generally per cent. Six-month deposits from Friday, and one of the half-year and Wednesday's per cent. Friday's decitive and the six-month rates were rates on Treasury certificates to quoted at 83-84 per cent from 74-85 per cent. The son the half-year and Wednesday's public holiday.

FRANKFURT — Interbank rates of the first three-month rates were rates on Treasury certificates t

#### UK MONEY MARKET

## Exceptionally large help

The settlement of Government amount at MLR to 5 or 6 houses, nearer 14 per cent. Security sales was seen as the for repayment today. In the interbank market overhuge shortage of credit in the London money market, and the fincluded the repayment of cent with most of the morning's moderate market business at 141-141 per cent. Advances and a small net take-up advances and a small net take-up comprised moderate purchases of Treasury bills to finance. Boon 131-14 per cent before transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent briefly. Revenue transfers to the fourhing 141-141 per cent business at 141-141 per cent business at

amount cought indirectly, and a discursements—by a small with late afternours balances small number of corporation amount, and there was a small taken as low as 3 per cent bills. In addition the authorities increase in the note circulation. Rates in the table below are bought a large amount of eligible Discount houses were paying nominal in some cases.

#### LONDON MONEY RATES

July 2 Cartificate 1979 of deposit	Interbank	Local Authority deposits	Local Auth: negotiable bonds	Finance House Deposits	Company	Discount market de ceit	Treasury Bills 4	Eligible Bank Bills &	Fine Trade Bills Ø
Two months 141-14 Three months 1418's Six months 131s 18	1436-1456 1436-1418 1436-1418 1436-1312 1236-1312 1236-1312	144-1466 144-1458 144-1436 14-1436 13-13-12 1350-13-12 1250-12-12 1250-12-12	1476-1434 1412-1418 14-1369 1276-1219 1276-1219 1234-1236	1434 1434 1436 1436 1534 1535 15	143, 143, 144, 144,	1879 1879 — — — —	13.4 13.8 15.7 15.7 13.7 15.6	13 <del>13</del> 133 <sub>3</sub> -13 <del>12</del> 125 <sub>8</sub> —	145g 141g 141g 141g

Local authority and finance houses seven days' notice, others seven days' fixed. \*Long-term local authority mortgage rates normally three years 123-13 per cent; four years 123-13 per cent; flux years 123-13 per cent; flux years 123-13 per cent; flux years 123-13 per cent; four-months trade in table are buying rates for prime-paper. Buying rate four-months bank bills 133- per cent; four-months trade bills 144 per cent.

Approximate selling rates for ane-month Tracevry bills 133-133- per cent; two-month 133-133- per cent; and 134- per cent. Approximate selling rates for one-month bank bills 133- per cent; and first-month 143- per cent. and three-month 143- per cent. and three-month 143- per cent. one-month 143- per cent. two-month 143- per cent. three month 133- per cent. one-month flux per cent. two-month 143- per cent. three month 143- per cent. one-month 143- per cent. three month 143- per cent. one-month 144- per cent. three month 143- per cent. one-month 144- per cent. three month 144- per cent. one-month 144- per cent. one-mon

GOLD

# **Firmer**

Gold rose by \$21 an ounce in the London bullion market yes-terday to close at \$2811-2821. The metal opened at \$2811-282 and improved during the day until news that Saudi Arabia would be increasing its oil production tended to slow down the improve-ment. The Krugerrand's pre-

July 29 June 28

,	Close	SERIA - REFIG	12211-2114
1	0.000	£ 128.6-128.91	(£127.70-128)
-	Opening	528114-282	\$28112-2821
-	opening	(£128.4-128.7)	£129_6_128_B
	Morning	6282.20	\$281.30
•	Swing.	£129.067)	(£129.482)
	Afternoon	\$282.50	\$275,90
à	MI COLLINOVII	(£128.907)	£(127.519)
•	_		
_	Ğold	Coins, domes	tically
	Krugarrand.	\$2901 <sub>2</sub> -2921 <sub>9</sub>	1528 LL - 286 LL
	(of affert they are	£1381g-15641	£181-132
	New	\$721a-741a	87112-731g
	Sovereigns	4232.84)	(283.34)
	DIA	12/12/13/ THM 3/6	\$871 <sub>9</sub> -891 <sub>2</sub>
	Sovereigns	(640.43)	(£4014-4114)
		colon, interna	
	Krugerrand.	\$29012-29212	\$28414-2861
		k£1324-1334ı	K£181.132)
	New	87212-7412	\$7112-7512
	Sovereigns	(£33-34)	(£33-34)
	Old	£8734-8934	\$8712-8915
1	Sovereigns	1840.41)	(£404-414)
Ė	COU COLOR	SANT ANS	SZOZ ZOZ
L	Sovereigns \$20 Eagles	2999 998	\$898-398 \$890-285

5 Eagles...... \$159-164 | \$157-162 mium over its gold content widened to 3.32 per cent from 3.17 per cent. In Paris the 121-kilo bar was fixed at FFr 40,150 per kilo (\$283.14 per ounce) compared with FFr 40,150 (\$293.14) in the morning and FFr 39,800 (\$288.90) on Friday afternoon.
In Frankfurt the 12½-kilo bar was fixed at DM 16,685 per kilo (\$282.37 per ounce) against DM 16,485 (\$277.43) previously.

#### MONEY RATES

MICHIEL INVINC	
NEW YORK Prime Rate	11.5-11.75 70.5625 8.92 8.89
GERMANY Discount Rate Overnight Rate One month Three months Six months	4 5.626 5.90 6.50 6.80
PRANCE Discount Rete	9.5 8,50 8,8125 9,3125 9,6875
JAPAN Discount Rete	4,25

#### WORLD VALUE OF THE POUND

The table below gives the latest systleple rates of exchange for the pound against various currencies on July 2, 1979. In some cases rates are nominal. Merket rates are the average of buying and selling rates shown should not be except where they are shown to be contributed in the UK and may par-

3	PLACE AND LOCAL UNIT	VALUE OF & STERLING	PLACE AND L	OCAL UNIT	VALUE OF E STERLING	PLACE AND LOCAL UNIT	VALUE OF E STERLING
8 3	Afghanistan Afghani AlbaniaLek Afgeria	91.00 10.249 8.3795	Greenland Greenland Greenland Greenland Greenland Greenland E	Caribbean 8	11.61 5.9144 9.3475	Peoples D. Repub. of Yetnen (\$) \$. Yeman Dinar Peru	(Ai0.74737 exc(A)439.40
	Andrea French Franc	9,3475	Guam	1,8. S	2.1885	† Dhillaniaea	15.98
	Andorra	144.55 60.118	Guatemala Guinea Republic S	wetzai Do	2.1885 41.817	Pitcairn Islands (5) ; New Zealand 5	2,1650
	Antigua (St E. Caribbean 5	5,9144	Guinea Bissau Guyana (8)		74.536	PolandZioty	(Cm)65.38
	Antigua (S) E. Caribbean 5 Argentina Ar. Poso Free Rate Australia (S) Australian S	2,883 1,9550			6.581	PortugalPortugu se Escudo	(T)65.38 107.05
_ [	Austria Schiling	29.605	Haiti, 5 Honduras Repub L	durd	10.9425	Port Timor Timor Escudo Principe Islands Portugu'sa Escudo	107.05
<u>.</u>	Austria Schilling Azores Portug. Escudo	107.05	Honduras Repub L Hong Kong (\$) H	empira I.K. S	4.4020 11.1574	Principe Islands Portugu'sa Escudo   Puerto Rico U.S. \$	107.05 2.1885
1	Bahamas (5) Ba. Dollar	2.1885	HungaryF		(com) 73.61	Qatar (\$) Qatar Ryal	8.18
2		32.90 (ag) 0.638			((T)(nc) 42.06	Reunion He de la Franch Franc	9,3475
7	Bahrain (Si Dinar Bahrain (Si Dinar Baleario Isles Spa. Peseta Barbados (S) Babados §†1	144,55	loeiand (5)	K <i>rona</i> nd. Runee	744.66 17.47 <b>0</b> 5	Rhodesia Rhodesian \$	1.5177
9	Barbados (8) Babados \$11	1 4.577 (fam) 64.60	indonesia,,	en brant	1.370	Romania Leu	(Cm)9.39 (c/c)725.21
7	Belgium B. Franc	(fn) 67.65	iran R	dal ma Dinas	162.0 0.64354	Rwanda Rwanda Franc	194.40
2	Belize	4.377	Iraq	rish £	1.0665	St. Christopher (S) E. Caribbaan 5	5.9144
8	Benin	4673 <sub>8</sub> 2.1885	15F2.0	S/1861 A	55.0225	St. Helena St. Helena E St. Lucia E. Caribbean S	1.0 5.9144
8	Bhutan Indian Rupes Bolivia Bolivian Peso Botswana (S) Pula	17,4703 (sg)	italyL	ira E A Branc	1,8134 4573a	St. Pietre C.F.A Franc	46738
ä	Bollvia Bolivian Pero	43.77				St. Pietre	5.9144
9	Brazil Cruzelen **	1.8124 55.00	Jamaica (5) J	amaica Dollar	7 3.9031 4771 <sub>2</sub>	Salvador El Colon Samoa American U.S. S	5.4800 2.1885
5	Brazil Cruzelro ## Brit. Virgin Islea Si U.S. S	2.1885	Jamaica (\$) J Japan Y Jordan (\$) J	ordan Dinar	0.653(sg)	San Marino Italian Lira	1.8134
_	Brunei (S) Brune) \$ Bulgaria Lev	4.7505 1.7930	Kampushes R	Hall Inch	2626.2	Sao Tome Portugese Eecudo Saudi Arabia Ryzi	107.05
B. (	Surma Ky	14.722	Kenya (S)	Cenya Shilling	16.235	I SARAROL ITE A STORE	7.32 457%
	Burundi	191.54	Korea (Nth) V	Von Von	1.94(1) 1050.81	Seychalles S. Rupes	11.55
1	Cameroon Repub's C.F.A. Franc	4673a	Kuwait (Sth) K	uwait Dina	0.604	Saychalles	2.2846 4.7606
~	Canada Canadian S Canary Islands Spanish Peseta	2.5580			875.4	Solomon Islandesi Solomon Is. 5	1.9565
ьĺ	Canary Islands Spanish Peseta Cape Verde Isla Cape V. Escudo	144.55 79.90	Laos	abanesa £	7.1071	Somali Republic Someli Chilling	(A)13, 777
3	Cayman Islands (S. Cay, Is. S	1.82331	Lesatho	. African Rand	1.8525	Somali Republic Somell Chilling South Africa (S) Rand South West African	1.8525
	Cayman Islands (S. Cay. Is. S Cent. Af. Empire C.F.A. France	46738	Liberia L	iberian 5 ibvan Dinar	2.1885 0.6479	Territories (S) S. A. Rend	1,8525
3	Chad C.F.A. Franc Chile C. Peso	4673g (Bk) 80.81	Libya Libya Liechtenstein S Luxembourg E	wiss Franc	3.625	SpainPeseta	144,55
ı	China Ranminhi Yuan	3,3652	Luxembourg., L	ALE FRANC	64.60	Spanish ports in	144.55
	Colombia C. Paso Comoro Islands C.F.A. Franc	(F) 93.49 4675	Macao P	ataca	11.621	North Africa Peseta Sri Lanka (S) S. L. Rupen	38.80
	Congo (Braz aville) C.F.A. France	4673	Madeira	ortug'se Escudo	107.05 4675s	Sri Lanka (S) S. L. Rupee Sudan Republic Sudan £	(A)0,8754
1	Costa Rica Colon	18.82	Malawi (S) K	wacha	1.760	Surinam	3.917¢ 1.8625
ı	Cuba Cuban Peso Cyprus (8 Cyprus &	1.4876 0.7650	Malaysia (8)	inagit	4.7599	Sweden S. Krona Switzerland Swies Franc	9.32
1	·	(com) 11.25	Mali Republic	tall Franc	8.00 934.75	Switzerland Swiss Franc Syria Syria £	3,625 (A)8,5898
-1	Ozechoslovakia Koruna	nic 22.50 (T)18.90	Mali Republic M Malta (S)	laitese £	0.7760		(P)78.786
ı	Denmark Danish Krone	11.61	Martin que,	uguiya :	9.3475 93.547	Taiwan	17.75
1	Djibouti Fr.	380.0	Mauritania O Mauritius (8) N	. Rupee	13.07	Thailand	48.98
į	Djibouti Fr. Dominica (8) E. Carlbbean & Dominican Repub. Dominican Peso	8.1885	Mexico	Mexican Peno	50.00 4673e	Togo Republic C.F.A. France	4673s
ſ	pominican repub. Dominican reso		Monaco F Mongolia	rench Franc	9.5475	Trinidad (S) Trinidad & Tob'	N 2524
1	Ecuador Sucre	(f) 54.46 (f) 61.92	Mongolia	ugrik Corubbeen =	(0)6.930(1) 5,9144	Thailand. Bahl Togo Republic C.F.A. Franc Tonga Islands (8) Pa'anga Trinidad (8) Trinidad & Tob' \$ Tunisia Tunisian Dinar	0,869(sg) 97,12
1	Egypt Egyptian 6 Equatorial Guinea, Peseta	(U) 1.4025	Monserrat	irham	8.30(ag)	Turkey Turkish Lira. Turks & Caloos U.S. \$	2.1885
I	Equatorial Guinea, Peseta Ethiopia Ethiopian Birr	144.55 (P) 4.5364	Morocco D Mozambique	loz. Escudo	65.095	Tuvalu, Australian 5	1,9550
1		. ,			1.9650	Uganda (5),	15.0
1	Faikland Islands (\$ Faikland Is, \$	1.0	Nauru	epalese Rupes	25.26		. 2,1885   j (cm:17,25
1	Faro Islands Danish Krone Fili Islands Fili S	11.61 1.8180	Netherlands II	ulider	4.43 5.6174	Uruguay Uruguay Peso	[ ] [n:17.21
- 1	rinjang Markka ·	8.545	Mether Survitilles V	Franc.	151.07	Utd. Arab Emirates U.A.E. Dirham U.S.S.R Rouble	8.31 1.3735
ı	France French Franc FrenchC'tyin Af" C,F,A. Franc	9, 3475	New Hebrides	Aust. Dollar	1.9550	Upper Volta C.F.A. France	46738
1	French Guiana Local Franc i	4673g 9,3475	Nicaragua : N	ortioba	2.1650	Vatican	181314
ţ	French Pacific Is., C.F.P. Franc	170.0	New Zealand (\$) N Nicaragua D Niger Republic C	. F. A. Franc	4675a 1.261054(sg)		9,4060
1	Gabon C.F.A. Franc	4673	Nigeria (\$) N.	AITE )	1.251054(sg) 11.125	Vistnam Dong	(T)4.070(f)
ı	Gambia (5) Dalasi Germany (East) Ostmark	4,0 4,051:			_	Virgin islands U.S. U.S. Dollar	2.1893
1	Germany (East) Ostmark Germany (West) Doutsche Mark	4,031	Oman Sul'ate of (S) Ri		0.755	Western Samos (6) Samoan Tala	1.75627
•	Ghana (S) Cadi I	5.78 (eg) 1.0	PakistanPi	skisten Rupes	2157 2.1885	Yemen	9.90(sg) 41,7099
ı	Gibraltar (K)	1.9550	Panama	ins.	1,3565	Zaire Republic Zaire	5.450998
1	Greece Drachma	B0.084	Paraguay G	uarani	275.81	Zambia Kwacha	1.68
1	"That part of the French communi-	ity in Africa for	narly Franch West Af	rica or Franch So	untorial Africa.	†Ruppes per pound, ‡General rates	of oil and Iron

"That part of the French community in Africa formerly French West Africa or French Equatorial Africa, †Rupess per pound, †General rates of oil and from exports \$1.92. Based on gross rates against Russian rouble. ""Rate is the transfer market (controlled). ††Rate is now based on 2 Barbados £ to the dollar. ††Row one official rate. (U) Unified Rate. Applicable on all transactions exapt countries having a bilateral agreement with Egypt, and are not members of IMF.

# **Travellers Cheques**

The accepted name for money. Worldwide.

NOTICE OF REDEMPTION

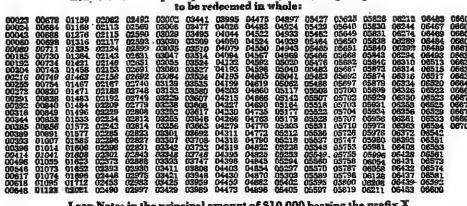
To the Holders of

#### INSILCO OVERSEAS CAPITAL CORPORATION N.V.

Guaranteed Floating Rate Loan Notes 1980

NOTICE IS HEREBY GIVEN, that the undersigned has elected to redeem \$628,000 principal amount of Insilco Overseas Capital Corporation N.V. Guaranteed Floating Rate Loan Notes 1980 on July 31, 1979, pursuant to paragraph 614) of said Notes. The following are the serial numbers of the Loan Notes which have been selected for redemption in whole or in part:

Loan Notes in the principal amount of \$1,000 bearing the prefix M to be redeemed in whole:



Loan Notes in the principal amount of \$10,000 bearing the prefix X

	and the princip	al amount thereof	o be redeemed:	
Serial Amount '	Serial Amount Numbers Redeemed	Serial Amount Numbers Redeemed	Serial Amount Numbers Redeemed	Serial Amount Numbers Redeemed
00357\$2,000 01381	01422\$1.000 01423 1.000	01462 2,000	01504\$3,000 01505 1.000	01604
01382	01424	01463 1,000 01465 2,000 01467 3,000	01509	01611 2,000 01612 3,000
01386	01427 1,000 01429 1,000	01468 2,000	01512 2,000 01513 1,000	01613 1.000 01614 1.000 01615 1.000
01388	01431 2,000 01432 1,000 01433 1,000	01471	01515	01717 1,000 01719 2,000
01393 2,000	01434 1.000 01435 1.000	01474	01519	01720
01395 1.000 01399 2,000 01400 2,000	01436, 1.000 01440, 7.000 01441 1.000	01479 2,000 01480 1,000	01522	01723 1.000 01724 2.000
01401 3,000	01442	01481	01527 2.000 01528 1,000 01529 1.000	01725
01403	01445 2,000 01447 1,000	01486 2.000 01487 1.000	01530 2,000 01531 1,000	01728 1,000 01729 1,000
01409 2,000 01410, 1.000 01411 2,000	01448 1.000 01449 2,000 01450 2,000	01491	01532 1.000 01537 1.000 01588 1,000	01730
01413 2,000 01414 1,000	01451, 2,000 01452 2,000	01494 2,000 01495 2,000	01590 2.000 01591 2.900	01733 2.000 01734 2.000
01416 2.000 01417 1,000 01418 3.000	01453 1.000 01454 2,000 01457 2,000	01497	01593 1,000 01598 2,000 01599 1,000	01736 3,000 01737 3,000
01419 1.000 01420 3.000	01458 1.000 01459 2.000	01501 1,000 01502 1,000	01600 1.000	

On July 31, 1979 the Loan Notes or portions thereof designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal m such coin or currency of the United States of America as at the time of payment shart he regard tender for the payment of public and private debts at one-hundred percent (100%) of the principal amount thereof, at the option of the holder, either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015 or (b) at the main offices of Morgan Guaranty Trust Company of New York in London, Paris, Zurich, Brussels and Frankfurt or at the principal office of Banque du Benelux-La Luxembourgeoise in

The Loan Notes should be presented with all coupons maturing after July 31, 1979. Coupons maturing on July 31, 1979 and prior thereto should be detached and surrendered for payment in the usual manner. From and after July 31, 1979 interest on Loan Notes or portions of Loan Notes selected for redemption will cease to accrue.

The holder of any Loan Note which is redeemed in part only upon surrender thereof as above provided shall obtain in exchange for the unredeemed portion thereof at no additional cost an equal aggregate principal amount of Loan Notes of authorized denominations hearing the guarantee of Insilco Corporation and having attached all unmatured coupons.

INSILCO OVERSEAS CAPITAL CORPORATION N.V.

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

Dated: June 29, 1979

Rank of England Minimum

Ible bank bills, all of which are: 131-131 per cent for secured call lending Rate 14 per cent for resale at a fixed future date. loans at the start with most of (since June 12, 1979).

They siso lent a moderate the days money commanding the settlement of Government amount at MLR to 5 or 6 houses, nearer 14 per cent.

The settlement of Government amount at MLR to 5 or 6 houses, nearer 14 per cent.

In the interbank market over-

#### NORTH AMERICAN NEWS

#### FTC curbs on buyer of Fairchild Camera

SCHLUMBERGER, the oilfield services and electronics group, over of Fairchild Camera and Instrument Corporation. It has now agreed to a Federal Trade Commission consent order under which it will not buy any other company in the semi-conductor industry within the next 10

Schlumberger has paid \$66 a share or about \$351.8m for 97 per cent of Fairchild's 5.5m common shares and will buy up the rest as soon as possible, thus bringing the total purchase price to \$363m. Fairchild agreed to the Schlumberger offer after rejecting successive bids of \$54, \$57 and then \$70 a share or another electronics company. The FTC order could require Schlumberger to sell off its 14 per cent stake in Unitrode, an electronics component manufacturer acquired only a month ago. However, Schlumberger can also seek FTC approval to dispose of those divisions of Fairchild that might compele with Unitrode and thus hold on to its Unitrode shares or even increase the stake,

#### U.S. QUARTERLIES

	HAMMERMILL PAPER		
	Second quarter	1979	1979 5
	Revenue	352.1m	210,1m
	Net profits	9.14m	0.02m
	Net per share	1.17	0.85
	Revenue	481.9m	409.40
	Net profits	15.74m 1.93	10:93m
	Net per share		1,41
	KAUFMAN AND BROAT		1976
	.Second querter	1979	3
	Revenue	122,1m	126 gm
	Net profits Net per share	3.16m 0.25	5.68m 0/35
	Sir months		
P	Revenue		207.3m 5.96m
	Net per share	5.75m 0.44	0.36
	CHIO-EDISON		
	Year	1979	1978
•		. S	\$
	Revenue	97 89m	104.31m
	Net profits	1 23	1.67
•	STOKELY-VAN CAMP		
•	STOKELY-VAN CAMP	1979	1975
•	Year	\$	S
•	Year Revenue Net profits	590,0m	
	Year Revanue Net profits Net per shere	590,0m	503.0W
	Year Revenue Net profits Net per shere TEXAS UTILITIES	590,0m	503.0m 10.5m 3.97
•	Year Revanue Net profits Net per shere	\$ 590,0m 13,0m 3,72	503.0m 10.5m 1.97
•	Year Revenue Net profits Net per shere TEXAS UTILITIES Year	\$ 590,0m 18,0m 3,72	503.0m 10.5m 31.97
•	Year  Revenue Net profits Net per shere  TEXAS UTILITIES Year Net profits	\$ 590.0m 13.0m 13.72 1979 \$ 1.69bn 216.05m	\$ 503.0m 10.5m 31.97 1976 \$ 1.46bn 178 92m
•	Year  Revenue Net profits Net per shere  TEXAS UTILITIES Year  Revenue Net profits Net per shere	\$ 590.0m 13.0m 3.72 1979 \$ 1.69bn 216.05m 2.63	503.0m 10.5m 31.97
	Year  Revenue Net profits Net per shere  TEXAS UTILITIES  Year  Revenue Net ponits Net per shere  WINNEBAGO INDUSTR	\$ 590,0m 13,0m 3,72 1879 \$ 1,69bn 2,63	\$ 501.0m 10.5m 1.87 1978 \$ 1.46bn 178 92m 2.36
	Year  Revenue Net profits Net per shere  TEXAS UTILITIES Year  Revenue Net profits Net per shere	\$ 590.0m 13.0m 13.0m 3.72 1879 5 1.69bn 2.63 PEB	\$ 503.0m 10.5m 10.5m 1.87 1978 \$ 1,46bn 178 92m 2.36
•	Year  Revenue Net profits Net per shere  TEXAS UTILITIES  Year  Net profits Net profits Net per shere Winnebago industr  Third querter	\$ 590.0m 13.0m 13.0m 3.72 1879 \$ 1.69bn 216.05m 2.63 PEB	10.5m 10.5m 10.5m 1.97 1978 \$ 1.46bn 178 92m 2.36
	Year  Revenue Net profits Net per shere TEXAS UTILITIES Year Revenue Net profits Net per shere WINNEBAGO INDUSTR Third querter Revenue Net profits	\$ 590.0m 13.0m 13.0m 3.72 1879 \$ 1.69bn 216.05m 2.63 PEB	10.5m 10.5m 10.5m 1.97 1978 \$ 1.46bn 178 92m 2.36
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	Year  Revenue Net profits Net per shere TEXAS UTILITIES Year  Revenue Net profits Net per shere Winnebago industr Third querter Revenue Net profits Net profits Net profits Net profits Net profits Nins months Revenue Net profits Nins months Revenue Net profits Nins months Revenue Net profits	990.0m 13.0m 13.0m 13.72 1979 5 1.69bn 2.63 EB 1979 8 51.95m 11.93m 188.14m 1598,000	\$ 503.0m 10.5m 10.5m 1.97 1978 \$ 1,48bn 178 92m 2.38 1973 \$ 177.70m 2.38m 155.27m
	Year  Revenue Net profits Net per shere TEXAS UTILITIES Year  Kevenue Net profits Net per shere Net per shere  WINNEBAGO INDUSTR  Thinnebago Industr  Revenue Net profits Nine months Revenue	990.0m 13.0m 13.0m 13.72 1979 5 1.69bn 2.63 EB 1979 8 51.95m 11.93m 188.14m 1980,000	\$ 503.0m 10.5m 10.5m 1.97 1978 \$ 1,48bn 178 92m 2.38 1973 \$ 177.70m 2.38m 155.27m
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#### LAFARGE 28, rue Émile Ménier, Paris 16e

Dividend for each share of F.Fr. 100 in respect of the year ended 31st December 1978 . . . . 13.40 Avoir fiscal (tax credit) . . 6.70 Gross amount . . . . . . . . 20.10

The dividend is payable as from 3rd July, 1979 against presentation of caupon number 37 or of the Sicovam coupon certificate or upon endorsement of the registered certificate. The dividend is payable at certain banks and credit institutions in France, a list of the names and addresses of which is available at the offices of Kleinwort, Benson Limited, 20 Fenchurch Street, London, EC3P 3DB,

In general, shareholders who are not resident in France suffer withholding tax on the dividend at the rate of twenty-five per cent, and do not receive the avoir fiscal. But, if the benefit of the double tax treaty between the United Kingdom and France can be claimed by a shareholder (and in general terms the benefit of this double tax treaty is only available if the shareholder is a resident of the United Kingdom and subject to tax in the United Kingdom on the dividend) (i) the rate of withholding tax is reduced to fifteen per cent. and (ii) the shareholder (being an individual or a company) may be able to recover from the French authorities the amount of the avoir fiscal reduced by withholding tax at the rate of fifteen per cent, of the total of the dividend and the avoir fiscal.

Thus, in cases where both the payment in respect of the avoir fiscal and the reduction of withholding tax to fifteen per cent. can be claimed shareholders will receive, prior to the incidence of United Kingdom taxation, an amount equal to 127.5 per cent. of the dividend payable by Lafarge, being the dividend together with the avoir fiscal as both are reduced by withholding tax.

Claims for relief under the double tax treaty should be made on the appropriate forms obtainable from the Inspector of Foreign Dividends, Inland Revenue, Block 2. Lynwood Road, Thames Ditton.

Surrey KT7 0DP. Shareholders who are in any doubt as to their individual tax position are strongly advised to

consult their professional advisers.

## Paccar's \$178m takeover of Harnischfeger blocked

manufacturer Paccar was yesterday trying to decide whether to fight a Federal court decision which threatened to block its excavator-loaders and the market when trading is resumed. \$178m takeover of mining equip- for hydraulic crane winches. ment manufacturer Harnischfeger.

tion from a Federal judge in who made the decision even obstacle to Paccar. though he conceded that it

manufacturer Paccar was yes- offer, said that a Paccar take- each in anticipation of a higher

The granting of an injunction feger.

On Friday Harnischfeger, which has been resisting the Paccar approach, won an injunction of the bids should be blocked in to make an assessment of the bids should be blocked in to make an assessment of the bids should be blocked in to make an assessment of the bids should be blocked in to make an assessment of the bids should be blocked in to make an assessment of the bids should be blocked in the bids and assessment of the bids should be blocked in the bids and assessment of the bids should be blocked in the bids and assessment of the bids should be blocked in the bids and bids and bids and bids and bids and bids are bids and bids and bids are bids are bids and bids are advance on anti-trust grounds. Milwaukee blocking the bid on Nevertheless, it presents a new anti-trust grounds. The judge, and possibly formidable

Harnischfeger's shares, which

CONSTRUCTION equipment might be fatal for the tender had been selling at almost \$25

Paccar was unable to say yesterday morning what action the its appeal but also of the likli-hood of the U.S. anti-trust agencies taking a critical look at the deal.

#### **Pacific Petroleums boosts Petro-Canada earnings**

BY OUR FINANCIAL STAFF

rose from C\$9.52m to C\$13.74m in 1978. The company said that the increase is primarily due to the purchase last November of Pacific Petroleums.

Operating revenue of Petro-Canada reached C\$174.3m, of ploratory and delineation wells. which C\$70m was provided by Despite the fact that the com-Pacific. Without the contribution from Pacific, Petro-Canada still shows a 17 per cent increase in profit over 1977.

Petro-Canada spent C\$60m Western Basin regions, and curgas production averaged 83.6m rently holds 82m gross acres cubic feet per day.

NET PROFIT of the Canadian in those regions apart from state oil company Petrocanada lands held by Panarctic Oils. in which it has a 45 per cent stake. In the Western Canadian sedimentary basin region, the company spent C\$32m on exploration last year, drilling 44 ex-

Despite the fact that the company's production was running below capacity, revenues from sales of crude oil, natural gas and natural gas liquids increased. Production of oil and during the year on 16 wells com-pleted in the Frontier and 27,200 b/d before royalty, and

#### **Kaiser Cement drops bid**

BY DAVID LASCELLES IN NEW YORK

KAISER CEMENT has bowed Mining's board and who started out in its bid for Florida Mining the bidding by selling their not raise its \$45 a share offer to top the \$48 a share offer, The two companies had been even higher. engaged in a fierce bidding war

and Materials by saying it would 32 per cent shareholding to Kaiser at \$32.50 a share. That was an irrevocable deal, even to top the \$48 a share offer, though Kaiser later increased worth a total of \$87m, from its bid, only to see Moore Moore McCormack Resources. McCormack raise the stakes

The other major controlling for the small Florida cement-making company. family, the McKethans, mean-while struck a deal with Moore biggest losers in the McCormack for their 29 per battle, though, are the Cone cent shareholding, and will be family who sit on Florida getting the top price.

#### Syntex in French move

PALO ALTO—Syntex Cormore than 500 employees and poration has asked the French 1978 sales exceeded \$30m. It government for approval to buy a substantial majority interest in the French pharmaceutical Net per share ......... 3.57 3.22 company Laroche Navarron. In addition to French govern-

ment approval the transaction is subject to certain conditions, including execution of a defini-tive agreement and satisfactory completion of an audit of Laroche Navarron. Terms were

The French company has Agencies

ceutical products in France and

many other countries.

Acquisition would considerably expand Syntex operations in Europe by adding facilities for research and chemical and pharmaceutical manufacturing.

Laroche Navarron is privately owned and has no connection with Hoffman-Laroche, Syntex

#### A & P back to proft in first quarter

By Our Financial Staff

THE SUPERMARKETS COUcern Great Atlantic and Pacific Tea Company (A & P) has returned to profit in the first quarter with 19 cents a share. The loss last time was \$9.92m. Sales fell by eight per cent from \$1.81m to \$1.66m. The latest results exclude figures from 174 stores which have been closed as part of a restruc-

turing programme. Mr. Jonathan L. Scott, chairman and chief executive, said that the closed stores accounted for some ten per cent of the chain's volume. Earlier this year, the West German food retailer Tengelmann agreed to pay \$75m for a 42 per cent stake in A & P.

#### Purepac takeover

The West German chemical company Kali-Chemie has agreed to buy 53.5 per cent of the outstanding stock of Purepac Laboratories for \$15.50 a share, agencies report from from New York. The greement, reached with certain members of the Storch family and some of Purepac's management, anticipates that a similar offer wil be made to holders of the remaining stock after the initial purchase is completed on July 6.

#### Beneficial acquisition

Beneficial Corporation has completed the purchase for more than \$40m of 25 consumer finance offices in North Carolina from a subsidiary NCNB Corporation, AP-DJ from Wilmington. NCNB Corporation—parent company of North Carolina National Bank, had been ordered to divest itself of the finance offices by the Federal Reserve Board because the Fed objected to the company's owning bank branch offices and fluance offices in the same cities.

#### **EUROBONDS**

## Sterling sector prices advance

THE STERLING SECTOR of far the most active yesterday. Development Bank was priced with prices of some issues at par yesterday by the lead investing company. The control of the day. Strong buying the indicated 99, thus confirming the issue, which is fully underwritten by the managers. Europe was reported by a number of dealers. tone was also lively in

the Deutsche Mark sector, where turnover remained at a good level and prices of seasoned issues rose by about of a point where changed. A DM 150m eight-year bullet issue carrying an indicated coupon of 8 per cent is expected for the Republic of Brazil through

The DM 50m ten-year bullet are convertible every six issue. The coupon remains un-changed from the level of 73 per cent indicated when this

In the dollar sector, a \$50m seven-year floating rate note for City Investing Finance NV was launched by Paribas. The notes is expected to be priced at par. coupon of 82 per cent. They Société Générale.

the Eurobond market was by issue for the Inter-American months into 8} per cent guaranteed 12-year notes of City Investing Company. The U.S.

Trading in the dollar sector of the bond market was very private placement was an subdued yesterday with prices nounced the week before last. very nilxed.

The \$100m seven-year FRN for Nacional Financiera, which carries a minimum coupon of which have an average life of 6t per cent, was priced at par 6.1 years carry an interest rate with other conditions otherwise of I per cent over the six-month unchanged by the lead man-Deutsche Bank today. This issue Libor rate with a minimum agers, Salomon Brothers and

#### MEDIUM-TERM FINANCING

## China raises borrowing sharply

BY JOHN EVANS

single borrower in the inter-national credit markets during final quarter of 1978 saw comnational credit markets during the second quarter of 1979, raising some \$18bn on an annual rate, according to the latest estimates by the Organisation of Economic Co-operation and Development (OECD).

Active capital market operations by China contributed to the increased borrowing in the whole market in April and May, in contrast to the sharp fall in new international lending in the first quarter of 1979, the OECD's Financial Market Trends publication

Completions of medium-term syndicated Eurocredits during April/May amounted to \$76.6bn measured at annual rates, com-

CHINA BECAME the largest pared with \$52.9bn in the open-special, borrowings. All these pletions at a record \$79.9bn, on maturities up to five years, the an annual rate.

OCED countries, whose activity had declined sharply activity had declined sharply terms the fourth quarter of 1978 and the first quarter of 1979, increased their horrow market, especially for the profiting in absolute terms, but their able and much coveted managemarket share declined further ment positions, the OECD comto around 23 per cent or \$17.8bn, ments. it estimates. The consequences of this "The market for medium- competition for the functioning

term syndicated Euromarkets in of the market was particularly 1979 thus became even more a noticeable market for non-OECD borrowers. This latter feature of had refused to participate in the market does not look like a temporary phenomenon." The OECD says the increased margins,

lending activity in the market attitudes has not resulted in any upward managed borrowing operations pressure upon contractual at those margins or even lower. spreads, which have in fact declined further during recent borrowings on the international months.

amounted to contractual spreads of 0.5 per cent on report says.

An important factor in this

when American banks, which so far loans at what they considered to be unrealistically low margins, changed their changed and offectively

The OECD forecasts that new capital markets, composed of This is "strikingly illus-trated" by the conditions which China was able to secure on its per cent to reach \$110bn during first, but admittedly somewhat 1979.

#### Montreal's French banks to merge .

NEW BANK is in the making in Montreal, the National Bank of Canada. It is being formed through the merger of Montreal's two Francophone chartered banks, the Banque Canadienne Nationale and the Banque Provinciale du Canada.

The National Bank of Canada is expected to be officially in existence by early autumn. assuming shareholder and Government consents are forthcoming.

Bringing the Banque Canadienne Nationale and the Banque Provinciale du Canada together will create Canada's sixth largest chartered bank, with assets of around C\$14bn. Banque Nationale at present stands sixth, and Banque Provinciale seventh

The C\$14bn in assets will still he well behind Toronto Dominion. The largest bank in the country is the Royal, with assets at April 30 last of C\$46.5bn, closely followed by the Canadian Imperial Bank of Commerce and the Bank of Montreal. The Bank of Nova Scotia comes next with Toronto Dominion fol-

lowing. Putting together the two Montreal Francophone banks has been talked about for at least 10 years. Both had strong growth in fiscal 1978, but the rate slowed down sharply in the six months ended April 30, compared with the growth of the large Anglophone banks with their much banks with their much stronger international busi-

#### Taken by surprise

In the past week or so there was some speculation among senior bankers about a possible merger—but the general public and the staffs of both banks were taken by surprise. The mechanics of the merger are simple: shareholders of each bank will exchange their holdings for shares of the new National Bank of Canada in a one-for-one ratio. The share prices of both existing banks have been running very close to each other this year. Banque Nationale stock closed last week at C\$15‡ and Banque Provinciale at C\$15‡.

Banque Nationale has assets of some C\$8.5bn, and Banque Provinciale nearly C\$5.5bn, but analysis consider that Banque Provinciale's profit performance has

big names behind both U.E. DOLLAR banks will remain in the new National Bank of Canada. M. Germain Perreault, now Nationale, will become chairman of the new merged bank, and M. Michel Belanger, a former senior civil servant in Quebec, a former president of the Montreal Stock Exchange, and now president of Banque Provinciale, will be president and chief executive.

M. Leo Lavoie, current chairman Leo Lavoie, current chairman of Banque Provinciale, will be vice-chairman of the new bank, and M. Jacques Douville, executive vice-president of Banque Nationale, will hold the same president of Banque Nationale, will hold the same

Nationale, will hold the same position in the new bank. Shareholder meetings to approve the merger are due in late August. Tacit approval of the merger has clearly been forthcoming from both Ottawa — the two banks are federally chartered —and Quebec City, and according to some industry experts, the authorities may have given it a nudge.

30th banks have been trying to expand outside Quebec, where

Both banks have been trying to the bulk of their branches traditionally been located, for some years, and Banque Provinciale bought the troubled Unity Bank of Canada a couple of years ago to further this aim.

 VEN STRAIGHTS
 Issued
 Bid
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 15
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 Australia 56
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 Australia 56
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 Finland 5.0
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 90% 91% 6 + 0% - 2.35

 Finland 6.8
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It appears the C\$8bn Caisse des Jardins credit movement, which became the largest single shareholder in Banque Provinciale about a decade ago, will continue to have a major say in the merged bank.

#### Competitive position

Both banks, in their official statement late on Friday, said that the proposed merger will substantially enhance the competitive position of the new institution. The expansion now under way outside Quebec will be achieved more effectively and at less cost Consolidation of efforts abroad will make possible a more important international role and greater utilisation of available resources."

World Bank 64 88

BWISS FRANC
STRAIGHTS

Amer. Exp. Int. 37 83

Asian Dev. Bank 34 94

Austria 31, 93

Australia 37, 89

Brazil 41 88

Canada 37, 89

Council of Eur. 47, 90

Bankamerica 32, 93

BNDE 5 88

EIB 47, 91

Heron 47, 89

ICI Fin. NV 37, 94

Melloysia 42, 90

New Zoaland 37, 94

OKB 33, 91

Pland Ost. Lande 4 90

Philippines 42, 89

Spein 4 91

Vianna 4 93

Voest-Alpine 42, 83 Referring presumably to automation, the statement went on: "Reductions in personnel will be less than those arising in the normal course of affairs, and will be more than offset by the potentialities for expansion. Improvements in efficiency will not require any

Banque Provinciale's performance has been judged better than Banque Nationale's both in profits and cost controls, and stock price levels have reflected this. Asset growth in recent years for both banks has been only half that of the big Anglophone banks. In the industry, Banque Nationale has been criticised recently for letting costs outstrip the rise in revenues.

## Pirelli to isolate tyre side as banks step in

Dunlop-Pirelli union, is proposmaking tyre sector. This was confirmed yesterday

by the Milan-based company, eading Italian banks. Pirelli's effective losses last

sale of the Pirelli skystraper in Milan. In 1977 Industrie Pirelli lost L5.50n.

or both its cable manufacturing holding Pirelli Spa, which holds lish the original shareholding activities and its diversified a 69.6 per cent stake in the balance of the 1971 union

move, Industrie Pirelli, the given rise to speculation as to ally held a 19 per cent stake Italian operating group in the the possible future disengage when the union was first set ment of Pirelli from its tradi-Dunlop-Pirelli union, is propos-tional tyre manufacturing activi-ing to set up a separate com-pany to absorb its heavy loss- fresh working capital, the company now intends to increase its share capital from L78bn to

L163bn in two separate stages. The first will see Industrie which is now also planning a. The first will see Industrie major capital reconstruction of Pirelli's capital rise from L78bn some L85bn (\$102m) with the to L108bn through funding some L85bn (\$102m) with the to company reserves. The intervention of a consortium of from company reserves. from company reserves. The second stage will involve a further increase of L55bn to L1.63bn. Some L15bn of this exclusively to the tyre sector, amounted to L28bn. However, L26bn was offset following the sale of the Piralli and by the state medium to the stat

credit institute, Mediobanca... In turn, the consortium will Pirelli lost L5.5bn. temporarily acquire a 24 per
The new operation will enable cent shareholding in the comPirelli to separate the losses of pany. Industrie Pirelli is curits tyre sector from the profits rently controlled by the financial
of both its cable manufacturing holding. Pirelli Sp. which holds
activities and its discretified of the part cent take.

IN A MAJOR restructuring products division. The move has company. Dunlop, which origin up in 1971; at present owns of the Italian operating company.

The intervention of the hanking consortium will effective reduce Dunlop's shareholding the Italian company. But the banking consortion is expected to hold its 24 per cent share holding only for a period of

Pirell's revised financial and industrial restructuring programme, envisaged to said between two and three years, is designed to increase the group turnover from the L797bn o last year to L1.190bn by 19 Sales in 1978 are expected a emerge at L925bn.

By 1984 Pirelli hopes its new tyre company will be break will induce Dunlop to re-estab

## Stinnes confident on margins •

BY ROGER BOYES IN BONN

cern and key Veha subsidiary deal between Veha and increased turnover and profits Deutsche BP. This resulted in substantially last year and is a drop in turnover of DM 3bn confident that it can maintain (\$1.62bn) and a loss of about the favourable margins throughout 1979.

organisation) and the Stinnes- from BP went towards the

which went to BP under the deal between Vebs and

1,300 workers. Wide-ranging re-organisation. Last year Stinnes shed two however, has helped to digest divisions, the Stinnes Stromeyer most of this loss of turnover Brennstoffhandel (fuels trading and most of the funds received

#### West German state loan

BY OUR FINANCIAL STAFF

of up to DM 1.50n on the 361.

The Federal Loan Consortium 1.5bn. Terms of the June gov-

THE WEST GERMAN govern- cent for a ten year offering, ment will launch a federal loan. Both tranches were priced at

domestic bond market today. will probably attempt to match The new funding is likely to the terms of one of the new be divided into two tranches, tranches with that of the DM closely resembling the last 650m Federal Railway loan federal loan floated early last floated last week on a coupon month and also totalling DM of 8 per cent at 992. The Bundesbank issue was a success. ernment issue were a coupon of with dealers restinating that 7% per cent for a six year more than DM 6bn had been tranche and a coupon of 8 per put up by investors.

HUGO STINNES, the West Ger- fanal petrol station chain, changes. Increased business in all the remaining sectors has produced a buoyant result and a good outlook for 1979.

Last year turnover rose 10.8 per cent to over DM-11h while net profits forwarded to Veba reached DM 40.2m com pared to DM 20.7m.

Stinnes, moreover, is proving to be profitable even in its pruned form. The first for months showed that the cons pany self-service stores and it industrial services in the US were doing well while the transport sector maintained last year's level despite the political uncertainties in the Middle Eas and Iran

Domestic turnover in the first five months totalled DM 3.4 compared to DM 3.5bn in 1978 (even though this 1978 figure includes Fanal and Stromeyer) while overseas turnover reache DM 908m compared to DM 738m last year.

Altogether turnover for January-May this year was DM 4.36bn against DM 4.70bn last vear\_

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Europond prices published.

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Straight Bands: The yield is the yield to redemption of site mid-price, the amount leaded is in millions, of currency units except for Yen-bonds where it is in billions. Change on yeake Change our rerice a week entire.

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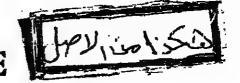
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Index Guide as at June 28, 1979



## Optimism at Total after price rises boost profits

BY TERRY DODSWORTH IN PARIS

THE FRENCH Total oil group, enter the winter period with drift in consumption towards was a Compagnic. Francisco des tonly, modest stocks of homeresem Petroles, experts to improve heating oil. These may well be expects the petrol market to archola profits yet again this year fail insufficient to supply all its ing conditions the 1978 upturn from needs given the legal reserve and 2.5 per cent a year, while not four years of negligible returns: requirements and the difficulties the heavy oil market will be to securing new supplies of undercut by the conversion of

not in four rights of negligible rearms requirements and the difficulties in the four rights of negligible rearms. The securing new simplifies of insection plants began in the fourth quarter of lat year. The shimpt change in the oil of market began in feed of the shimpt change in the oil of market began in feed of the fourth quarter of lat year. The shimpt change in the oil of market began in feed of the shimpt change in the oil of market began in feed of the fourth of this ear Toph as wife the company's moves to meet a more diversified and interest its increased costs. In such a legrated business.

See the analysis increased costs. In such a legrated business. The rest of the investment production facilities. The rest of the investment day that changes in supply and distribution, were necessary to also make it extremely difficult of supply the French home-hear its in the this winter. This winter this research is the group intends to supply the French home-hear its share oil companies face in this research in the foot of investment property of reducing home-hear policy of reducing home-hear policy of reducing home-hear made it clear that it would mainly to accommodate the south Africa.

## Banks rally to help **Beneficial Finance** of Australia

If the banks are called on to

support Beneficial's issue to the

hilt, the financier will then

become over 50 per cent owned

the Board did not seem unduly

deferred delivery basis, which

to three ordinary shares for

every two deferred shares. As a result of the wider capital base, directors propose to reduce the total dividend rate in the

current year, although a new level has not yet been decided on. However, the November

interim payout will be cut from

3.25 cents to 2 cents a share.

New shares will not participate.

entitlement, the State Bank of

South Australia will subscribe

to a special placement of an

A\$500,000 convertible unsecured

notes carrying an interest rate

of 11.5 per cent. Upon maturity

bank intends to convert the

notes, lifting its equity stake.

Commenting yesterday, Beneficial director said that the

interim announcement had been

made "in order to stem further

speculative comment in the

light of the publically-known problems of ASL, and the Bank of Adelaide/FCA."

NEW ISSUE

after September, 1980—the

On top of taking up its

The issue comes in two forms.

adverse yesterday.

them-something to which

BY JOHN ROGERS IN SYDNEY

THE BANK shareholders in the U.S. \$20m to U.S.\$ 42m, and troubled South Australian-based from U.S.\$ 10m to U.S.\$ 25m, financier. Beneficial Finance respectively. Corporation yesterday closed ranks behind the Board in the form of an undertaking to absorb 80 per cent of any shortfall in the company's one-forissue. With the financier plagued by a balance sheet top beavy in problem property loans and the shares struggling to stay above their 50 cents parity, a large undersubscription could be ex-

However with shareholders, the Bank of Tokyo (16.4 per cent), the International Bank of Detroit (10 per cent), the State Bank of South Australia (8.2 per cent) and the Rural Bank of NSW (4.6 per cent) all signalling their intention not only to take up their entitle-ment, but also virtually to underwrite the remainder of the A\$7.7m issue, renewed confidence may not only be seen in scription list to its latest public debenture offer.

In addition, the Bank of Tokyo and the Bank of Detroit will more than double their credit facilities to Beneficial

#### Share issue by Paper **Products**

PAPER PRODUCTS, the largest Malaysian paper manufacturer, is offering 4.5m shares of one ringgit each to Bumiputras (Malays) in line with the Goverament's New

The share issue will bring the company's paid-up capital to 17m ringgit (U.S.\$88.8m). Of the issue, 10 per cent, or 450,000 shares, are to be reserved for its Malay employees, 3m shares for Bumiputras and Bumiputra institutions approved by the Ministry of Trade and Industry. and 1.05m shares for other

The shares are being sold at the one ringgit par value, although they closed at 1.31 ringgit on the Kuala Lumbur

to 30 per cent by 1985. MPB was set up to take over the Malaysian interests of Plantation Holdings, of the UK. to be dissolved once its British European interests are

transferred to a new company, Phicom, listed on the London MPB said that its pre-tax

profits this year were estimated to be not less than 14m ringgits (\$6.4m), compared with 12.1m ringgit last year. It expects to pay a dividend of 18 per cent. Multi-Purpose Holdings, the Malaysian group controlled by leaders of the Malaysian Chinese Association, has a 65 per cent equity stake in Plantation Holdings.

#### Malaysian Tobacco

sian Tobacco Company were adversely affected by a boycott of the company's cigarettes by the Chinese in North Malaysia.
The company said that its pre-tax profits for the six months to March fell by 5 per cent to 27.7m ringgit (\$12.7m). Turnover was 3.7 per cent

higher, at 261m ringgit. In mid-February, there were rumours in north Malaysia that the company had refused to contribute to the Merdeka University fund and this lead to a

to set up their own university. The proposed Merdeka University is one of the most sensitive issues which had split the Malays and Chinese into oppos-ing camps. Malaysian Tobacco Company had strongly denied the rumours, and said that it

## Smurfit withdraws offer for Penfolds Holdings

BY OUR SYDNEY CORRESPONDENT

JEFFERSON and packaging group, has finally sounded the both companies announced that retreat on its Australian invasion with the announcement yesterday that it had (U.S.\$17.7m) takeover for the Sydney-based packaging and stationery group W. C. Penfolds quick to point out yesterday Holdings, four months after the

initial approach. Representatives of Smurfit said profit expectations of the A straight one-for-three on August I or a one-for-three on a Penfolds group had not been can be converted in three years

certain matter" still had to be settled after the foreign investment review board had given them its blessing after two months deliberation.
W. C. Penfolds' directors were

that elthough the results for the year would be below budget, they would be substantially in line with last year's results. With no other suitor in sight, substantiated in the latest year the Penfold family—which con-to June 30 and the company had trols 50 per cent of the group no alternative but to withdraw and stood to gain handsomely its offer. A hint that all was not from the A\$7 a share bid-will

SMURFIT, the well with the pending merger now have to reverse its original was given three weeks ago when plan. This included buying out the group's retail division which would have left Smurfit with the printing and packaging

A Smurfit spokesman denied that the deal had been shelved because of funding commitments in the U.S. Smurfit announced last Thursday that it was lifting its stake in Alton Box Board Company from 27 per cent to 51 per cent through a tender offer at US\$22 a share. He added that Smurfit was still interested in entering the Australian market

## Setback for Keppel shipyard

KEPPEL SHIPYARD. Singapore Government-owned only 5 per cent.
group suffered an 85 per cent Keppel said that the smaller etback in group preltax profit for the year ended December, 1978 to \$\$5.9m (U.S.\$2.7m). With tax provisions declining by only 40 per cent to S\$6.5m,

Keppel made a loss of \$\$331,000 at the post-tax level. Despite the decline in profit Keppel has decided to manin-tain its final gross dividend payment at 15 per cent.

However, the downturn in profit at the parent company, which is involved in ship-repairing only, was less severe. Pre-tax profit for the parent share was about 26 per cent, and that an upturn had begun was down by 29 per cent to In the shipbuilding sector, to take place.

the S\$9.3m, while turnover fell by Keppel's decline in turnover compared with the drop in profit was a clear indication of the extent and severity of the squeeze on profit margins. It also substanfiated the Salvage Association's report that ship-repair prices in

Singapore dropped drastically, by some 17 per cent, in 1978. On a more cheerful note, Keppel said that it had slightly improved on its position in the Singapore market. Of the total value of work done by the major yards in the Republic, Keppel's sustained serious losses. Its offshore equipment and rig-building subsidiary, Far East Levingston sustained a loss of \$\$3.8m, while another shipbuilding subsidiary, Singapore Slipway, reported a loss of S\$3.1m on the completion of part of an order in 1978 for 12 mini-bulk carriers.

Singapore Slipway has made a provision for a further loss, amounting to S\$5.2m expected to be suffered on the remaining vessels under construction. However, Keppel suggested

## Saab car losses expected to end

BY VICTOR KAYFETZ BY STOCKHOLM

noter to WHEN SWEDEN'S Saab late Swedish over Dy last: week sunounced final some of whom had speculated forward agreement; with Italy's Frat on that Saab and Lancia are plan-

led PM will resain distinct identities, 1 3.55n a the Swedish company added a respected and Strong

Montedison

to cut back

/ICE MONTEDISON, the loss making trailing chemicals in the fibres concern, will sell some of his major assets in the U.S. and become a mainly European

based company is he bid for

Dr. Lulgi- Craici, head

strategic studies department,

said in London that as part of

les three-year reconstruction programme, due to end in 1980.

it would reduce its interests in the U.S. Since its U.S. patents

had been confirmed, its first reason to being there had dis-appeared, according to Dr. Craici.

This year, the company hoped

to self off more of its holdings in monochemical activities, where its fundamental strategic interests were not involved

tric power plants, whose "real value" was £237m.

Dr. Vieri Poggiali, Monte-cison's information director, predicted that while a slight loss would be suffered in 1880,

it should again be profitable in

non-profitable sectors, the com-

pany pinned its hopes on more efficient management and on

in U.S.

Spancial recovery.

economic analysts, forward agreement: with Italy's Fiat on that Saab and Lancia are planM 40 m a collaboration programme for many accommon car m. developing and manufacturing model during the 1980s. SaabThe first company was careful first four months of 1979 indicate that the newlythat the not lead to the formation of sells for a higher price than other form of merger with the lattice and the same time the deal and the same time the parties. The various division out of the red during the lancing are planmodel during the 1980s. SaabScania's sales figures for the second indicate that the newlylaunched Saab 900 turbo, which sells for a higher price than other Saab cars, has made an international sales breakthrough that may pull the group's Saab passenger car division out of the red during the lancing the 1980s. SaabScania's sales figures for the newlylaunched Saab 900 turbo, which sells for a higher price than other Saab sars, has made an international sales breakthrough that may pull the group's Saab passenger car division out of the red during the launched saab sales figures for the newlylaunched Saab 900 turbo, which sells for a higher price than other Saab cars, has made an international sales breakthrough that may pull the group's saab passenger car division out of the red during the launched saab passenger for a supplied to the same time the passenger car division out of the red during the launched saab sales figures for the model of the newlysame time the passenger instanced saab 900 turbo, which sells for a higher price than other Saab cars, has made an international sales breakthrough the launched saab passenger car division out of the red during the launched saab passenger car division out of the red during the launched saab passenger car division out of the red during the launched saab passenger car division out of the red during the launched saab passenger car division out of the red during the launched saab passenger car division out of the red during the launched saab passenger car division

Saab-Scania does not publish separate profit figures for its divisions but the analysis believe that the car division lost at least SKr 100m in 1978 while

Scania trucks returned a very large profit. Group pre-tax earnings last year were SKr 530m (3124m) on a turnover of (\$124m) on a turnover of SKr 11.64bn (\$2.72bn). The group has reported that

pre-tax profit during the first four months of 1979 amounted to SKr 236m, more than twice the SKr 102m recorded for the period last year. The improve ment was "mainly attributable to higher capacity utilisation both within Scania and Saab passenger cars."

Mr. Sten Gustafsson, Saab Scania group managing direc-tor repeats his earlier forecast that pre-tax profit will grow at at a more rapid pace than sales throughout 1979.

#### Usinor in talks over Belgian plant purchase

plant in Lorraine. Negotiations on the deal are in Usinor rather than cash, now well advanced between the The Rehon works make Danies: Its effect would be

A FURTHER step in the ration- money and is not expecting to elisation of the French and break even for about two years Beigian scientisting industries as it pushes through its big is expected within the next redundancy and restructuring new weeks with the acquisition programme. It is possible that by Usiner of Cockerill's Rehon Cockerill, the largest Belgian company, will be given a stake

to give Usinor, the leading in with Usinor's own strip French group, control of all the activities and the general policy significant steelmaking facilities of pushing the French group In the Longwy valley in Lorraine towards more finished products. Where it faces the most diffication of the factory is about cult of its reorganisation tasks. 850,000 tonnes a year, and it is It is not yet clear how Usinor claimed to have been one of the will finance the deal. The more profitable units during the French company is losing steel industry crisis,

#### Astra plans disposal of farm equipment company

BY OUR STOCKHOLM-CORRESPONDENT

Two weeks ago, Montedison sold its 65 per cent stake in Pingest a holding company, for f52m (\$13im) It has also revalued other assets, including hydroelectric and thermoelec 1981. Besides withdrawing from

ASTRA, the Swedish pherma-subsidiaries, the sales of which ential group; plans to sell its totalled about SKr 300m and small animal and plant nutrition which made rust prevention subsidiary. Astra-Ewos, to systems, consumer hygienic Sweden's Alfa-Laval, which products and skiing equipment, makes equipment for farms, respectively. This was part of a makes equipment for farms, respectively. This was part of a dairies, food-processing plants continuing strategy of concentand other industrial users. The training group resources on transfer, for an undisclosed sum, pharmaceuticals following takes effect on September 1. Recent international sales broad-

Astra will retain a minority throughs for Astra's new cardio-interest and some research vascular and anti-asthma drugs. collaboration with Ewos.

Astra-Ewos with 200 em-

efficient management and on collaboration with Ewos.

efficient management and on collaboration with Ewos.

efficient management and on collaboration with Ewos.

Astra-Ewos with 200 emconcentration in chemicats which expects pre-tax ployees had a turnover of in the first five months of this profit in the range of SKr 150m SKr 18m last year, 55 per cent year, Montedison's consolidated (\$35m) on 1979 turnover of in Sweden and the rest mainly sales rose by 25 per cent to about SKr 2bn (\$467m), last in other Nordic countries and year disposed of three other Britain.

# Siber Hegner maintains payout

INTERIM PROFITS of Malay-

boycott of its cigarettes by the Chinese—who are fighting for the Government to allow them

had never been approached for

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only. 30th May, 1979



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Pierun, Heldring & Pietson N.V.

IBI International sallis-Osake Pankki

International Credit Alliance, Limited Istituto Bancario San Paolo di Torino Kichwort, Benson

Kredietbank S.A. Luxembourgeoise Kuwait Financial Center, s.a.k. Kuwait Foreign Trading Confracting & Investment Co. (S.A.K.)

Lazard Brothers & Co.,

Kuwait International Funnce Company S.A.K. Kuwait International Investment Co. s.a.k. Lloyds Bank International Milisahishi Bank (Europe) S.A.

Manufacturers Hanover Samuel Montagu & Co.

Kunnit Investment Company (S.A.K.) · Merrill Lypch International & Co.

Noterlands: Crediethnak N.V. The Nakko Securities Co., (Europe) Ltd.

Nippon Kangyo Kakumaru (Europe) Sal. Oppenheim jr. & Cie.

Nederlandsche Middenstandsbank N.V.

Postipankki

Orion Bank Osakaya Securities Co., Ltd.

Wardley

Rothschild Bank AG Privatbanken Aktieselskab Senyo Securities Co., Ltd. Schroders & Chartered
Limited

Skandinaviska Foskilda Banken Siegapore Nounta Merchant Banking Société Générale Altraciente de Bunque Société Générale Strauss, Tumbull & Co. The Taiyo Kobe Bank (Luxembourg) S.A. Svenska Handelshankon

PKhanken

Salomon Brothers International

Trinkans & Barkhardt

S. G. Warburg & Co. Ltd. Wake Securities Company Yansaichi International (Europe)

Smith Barney, Harris Upham & Co. Sumitomo Finance International Tokai Kyowa Morgan Grenfell Vereins- and Westbank Vickers, da Costa International

> Westdentsche Landesbanke Girozentrale Yamatane Securities Co., Ltd.

CONSOLIDATED GROUP term in the group's operations has group, recorded a fall in group over of the international trad been increasing. Siber Hegner sates from SwFr 6.81bn to ing concern Siber Hegner fell expects a declaration of a divi- SwFr 6.25bn (\$3.79bn) for the by 13.1 per cent last year to dend by the Swiss SSIH watch period although local currency by 13.1 per cent last year to SwFr 777m (\$469m). This was due partly to the higher Swiss france exchange rate—at unaltered partites, the drop would have been of only 6.8 per cent and partly to unfavourable

Industrial raw material turnover dropped by SwFr 87m over the year to Swir 393m. Smaller rates of decline, of 4 and 13.7 per cent, respectively, were booked for trade in consumer products (SwFr 265m) and technical products (SwFr 119m). The parent company, Siber-Hegner Holdings, of Zurich, was able, despite the fall in Swiss to the company is particularly intended to build up trade encouraging in the field of relations with China. industrial raw materials. The \*\* \*

group, in which it has a 36 per immover improved by 12 per cent stake and whose products cent. New order value went up it markets in Switzerland, 15 per cent in terms of local

Japan and Korea. Japan and Korea.

In future Siber Hegner is in those of Swiss francs from limiting its sales activities to SwFr 7bn to SwFr 6.61bn.

Europe and Asia. The small For the same period, complete subsidiary in New York, Siber world turnover of the Siemens Hegner & Co., has been closed Broup increased from DM 25.2bn down, while Siber Hegner to DM 29bn (\$15.77bn) due to Machinery has been moved inclusion for the first time of Machinery has been moved inclusion for the first time of from New York to Chicago, sales of Kraftwerk Union. Withwhere it will act as a purchas-out these, Siemens world turn-where it will act as a purchas-over would have risen by 5 pering company for U.S. technical products for sale in Europe and Asia. The Noumea-based sub-

which it intends to pay an China, where it has a permanent unchanged 15 per cent dividend. office. This is initially based For 1979, business, according in the Peking Hotel and is

Topics of the Adjustic Control of the Control of th

currencies but fell by 5 per cent

cent to DM 23.9bn.

For the holding company's Asia. The Noumez-Dassel subsidiary Siber Hegner Nouvelle own business year, which ended
caledonie S.A. is to be sold.

On March 31, 1979, net profits
of the Zurich undertaking fell
has set up operations in Singafrom SwFr 21.1m to SwFr 20.5m. The board foresees distribution of a dividend of SwFr 16 per share on unchanged capital of Earnings from participations rose from SwFr 34.5m to

SwFr 41.9m in 1978/79, though

Stock Exchange last Friday. In the prospectus, Paper Products said that it expected to make a pre-tax profit of not less than 4.4m ringgit (\$2.02m) this year, and promised a 10 per cent dividend on the new paidup capital. Last year, the com-

3.4m ringgit. Meanwhile, Malaysian Plantations Berhad (MPB) is seeking a listing on the Kuala Lumpur Exchange. As part of conditions, imposed by the Government, it is to issue 11.2m

of one ringgit each to Bumiputras at a later stage, which would bring its paid-up capital to 60m ringgit. The price of the shares would be fixed at the time of the issue with the Malaysian authorities. MPB said the issue represented 15 per cent of the company's equity, and it intended to increase the Bumiputra holding

# **Boycott hits**

By Our Kuala Lumpur Correspondent

Indices

# Early 8.2 fall on Wall St. on oil worries

INVESTMENT DOLLAR PREMIUM

\$2.60 to £1—27% (301%) Effective \$2.1885 61% (91%)

AS INVESTORS continued to worry about energy and oil prices, Wall Street retreated sharply across a wide front yesterday morning in fairly active dealings.

Dow Jones Industrial Average was down 8.19 to 833.79 at 1 pm, while the NYSE All Common Index sustained a fall of 47 cents at 857.91. Declining

Closing prices and market reports were not available for this edition.

issues outscored advances by about a three-to-one ratio and turnover came to 21.72m shares compared with last Friday's 1 pm level of 24.78m.

The decline came despite the announcement from Saudi Arabia that It has decided to increase its crude oil production.

Analysts said Libyan leader Muammar Gaddafi's recent state-ments about stopping Libyan oil exports underlines U.S. vulnerability to the actions of the oil-producing countries.

Also, President Carter stated that the latest OPEC price rises make a recession in the U.S. much more likely. Analysts, however, were divided on the impact this statement had on the however, were divided on the impact this statement had on the

Energy issues were mostly fractionally lower, including age hardened 10.02 more to

NEW YORK

Abbott Labs ..

AM International Adobe Oil & Gas. Actna Life & Ca.,

Air Products...... Alcan Aluminium

Amer. Airlines.... 107s

Amer, Brands.... Amer, Broado'st. Amer. Can..... Amer. Cyanamid Amer. Dist. Tel... Amer. Elect. Pow

Asamera Oil ..... 

Frockway Glass-

Canal Range Garnation 11/2 Carnation 16/4 Carter Hawley 16/4 Caterplifar Tract 50/4 64/5

Beatrice Foods. | 211 | 21 Beet n Dick'nson 55% Beil & Howell..... 17 Bendix ..... 58%

Amerada Hess.... 4410 | 4516

end of the Paccar bid.

Paccar on the over-the-counter market, eased to \$48\frac{1}{2}\$ bid, \$49\frac{1}{2}\$ offered from \$48\frac{1}{2}\$ bid, \$49\frac{1}{2}\$ offered at the close on Friday.

Pittsburgh Forgings gained \$4\frac{1}{2}\$ to \$36. Ampco-Pittsburgh, up 1\frac{1}{2}\$ at \$18\frac{1}{2}\$, said that it will make a tender offer for Pittsburgh forgings at \$38\frac{1}{2}\$ a share.

a tender offer for Pittsburgh Gorgings at \$3S a share. Parker Drilling, which re-ported lower profits for the third quarter. lost 21 to \$29\frac{3}{2}. THE AMERICAN SE Market Value Index relinquished 1.24 to 199.52 at 1 pm on volume of 2.25m shares (2.88m).

for the Dominion Day holiday.

Tokyo

Dana 2714 2714
Dart Industries 4514 45
Deer e 5878 5918
Deitons 1276 1278
Dentaply Int. 1534 1518

| 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124

0.40

المكنامن الثجل

After a firm Saturday balf-day session, stocks closed mixed to higher yesterday following a fairly active husiness.

The Nikkei-Dow Jones Aver-

Johns Manville .... Johnson Johnson

Johnson Control

Joy Manufacturg K. Mart.... Kaiser Alumini'm

Liggett Group...
Litton industries
Lockh'ed Aircritt
Lone Star Ind sts
Long Isl'nd Ltg...
Lubrizol

Mapoo ..... Marathon Oli.....

Marine Midland. Marshal Field.... Marshal Field.... 174: Marsh McLenn'n. 625:

N. L. Industries...
Norfolk & West'n:
North Nat. Gas...
Nthn. States Pwr.
Nthwest Airliner
Nthwist Bancorp
Norton Simon...
Occident' Petro!
Ocident' Petro!

Polaroid ...

Polaroid
Potomac Elec...
PPG Industries
Proctor Gamble
Pub. Serv. Elec...
Pullman
Purex
Guaker Oats
Rapid American
Raytheon...
RCA
Republic Steel...
Resorts Int...

The company said a preliminary injunction granted to halt Paccar's proposed tender of for Harnischfeger may mean the end of the Paccar on the over-the-country and the property of the propert the U.S., has offered to buy bearings from Nippon Seiko on a long-term basis. Nippon Seiko moved sharply ahead in the morning, but subsequent profitaking left a gain of only 11 on the day at Y261. Oyo Seiko climbed Y13 to Y179.

Chemicals Stainless Steels Steels and Machines scoring broad gains. Siemens finished DM 1.70 bigher, while KHD put on DM 3 and Mannessmann DM 2.

Among Motors, BMW gained DM 2 and Volkswagen DM 1.50, while Chemicals had BASF up DM 1.70.

Chemicals, Stainless Steels and Constructions also scored gains, but Oils, Coals, Shipping Lines and export-orientated issues were inclined to decline export-orientated profit-taking and other liquidations. Honda Motors retreated Y16

to Y543 and Toyota Motor Y10 to Y580, while Sony lost Y50 to Y2.040 and TDK Electronic Y20 to Y1.780. Arabian Oll shed Y250 to Canada

Y4,300 after reports that it will

Markels were closed yesterday
or the Dominion Day holiday.

Japanese refiners by 15 per cent bias to lower levels in slow

Germany

After a weak opening, stocks tended to pick up in quiet also making investors hesitant trading with a number of leading was the weakness of the dollar issues finishing with reasonable during the morning coupled with

umbarger.

Sea Containers... 18 Seagram ..... 514 Searie (G.D.; 1415

 Seagram
 513g

 Searia (G.D.)
 141g

 Scars Roebuck
 191g

 SEDCO
 285g

 Shell Oll
 401g

 Shell Transport
 351g

 Signe
 260g

Southern Cel, Ed. 251, Southern Co...... 1314 Southern Nat Ros 59

Southern Railw'y, 631;

Southern Railly , Galian Southland , Galian Salan Sala

Studebaker Wor.
Sun Go.
Sundstrand...
Super Valu Store
Syntex...
Tandy Corpn.
Technicolor...
Tektronix...
Teledyne...
Teneco...

57 5719 13 13:1 584 574 684 6812

Texas inst m....
Texas Oil & Gas...
Texas Utilities...
Times inc....
Times Mirror....
Timken

Union Garbide... UnionCommerce Union Oil Calif... Union Pacific ...

Uniton Pacific ... 66%
Unitod Brands ... 91:
US Bancorp ... 25%
US Stypsum ... 28%
US Stoe ... 21%
Utd Technologies ... 371;
UV Industries ... 21%
Virginia Elect ... 1273
Wagner Lambert ... 33%
Warner-Commn ... 35%

In the Stores sector, however. Neckermann ended DM 4 down and Karstadt off DM 2. On the Domestic Bond Market, Public Authority issues showed gains to 15 pfennigs but also some losses ranging to 20 pfennigs. The Bundesbank sold DM 10.6m nominal of paper after sales of DM 15.1m last Friday.

**Paris** 

47 55 565<sub>8</sub> 21<sub>19</sub> 37<sub>19</sub> 38<sub>34</sub>

137, 4578 51, 483, 65, 5513 20, 16, 1751

DM 1.70.

Bourse prices displayed a slight

trading. Brokers said the raising of the Call Money rate by a of a point to 82 per cent was partly responsible for sapping sentiment, while

CANADA

BP Canada 25%
Brascan 23%
Gaigary Power 5%
Camfle Mines 15%

Can. Pacific ...... 3412 Can. Pacific inv... 3512 Can. Super Oil....137 Carling O'Keefe. 513 Cassiar Asbostos 1266

Marks & Spencer 9
Marks & Spencer 9
MasseyFerguson 1414
McIntyre 52
Moore Corpn 5776
Mountain Hate R 9.50

Rio Algom ..... 57 Royal Bk. of Can. 414 Royal Trustco..... 17

Scoptre Res urce

Cons. Bathurst., Consumer Ga-

Amerada Hess, Mobil, Exzon, 6.283.14 and the Tokyo SE index Standard Oll of Indiana, Standard Oll of Indiana, Standard edged up 0.26 to 147.60, while of California, Texaco and volume on the First Market section of California, Texaco and Volume of California Dealers attributed the early had gained 10 per cent by the end of the day, and in which trading was suspended at one eased after announcing share place ments which will jointly raise point because of a lack of selling

> Banks, Portfolios and Foods were also generally favoured, but Rubbers, Mechanicals. Hotels, Stores, Electricals and Chemicals mostly closed below last Friday's

levels.
Significantly higher at the close were BCT, Rue Imperiale, Imetal, Comtoirs Modernes, Ferodo, Screg, Arjomari-Prioux, Sacilor and UTA.

On the downside were Bail Equipment, Alsacienne de Supermarche, L'Oreal, Michelin, Facom, Perrier, Hachette, Printemps, Poclain, Alsthom, Denain and Pierrelitte-Auby.

Australia

A fresh upsurge by energy hares again highlighted shares again highlighted generally firmer Australian markets yesterday. The Sydney All Ordinaries index rose 4.69 to 583.21, while the Metals and Minerals sub-section advanced 42.12 to 2,907.20.

uvanceu 42.12 to 2.307.20.
Uraniums featured strongly
after British Minister Mrs.
Thatcher said that she expected
European and Australian safeguards differences will be sorted guards differences with the same and the way for exports of Australian yellowcake. Panof Australian yellowcake. Panof Australian yellowcake to Industrials were mixed to continental gained 90 cents to AS12.70, Kathleen Investments 20 cents to AS3.40, Queensland Mines 17 cents to AS3.22, EZ Industries 10 cents to AS3.10 and Peko-Wallsend 11 cents

Oils further advanced in the wake of the OPEC price rise, the Tokyo summit and the Aus-tralian Government's initiatives to cut oil consumption. EHP. on its oil drilling interests, moved ahead 36 cents more to AS9.56 following an advance of 26 cents last Friday. Weeks Petroleum, which is seek-ing a London listing, gained 20 cents to ASS.20, while CSR.

with its coal interests and oil 183.41. Of the Coal groups, Thiess put

plus tax

Pre 500 denom, unices otherwise
stated.

DKr 100 denom, unices otherwise S DKr 100 denom. united to stated. 4 SWF: 500 denom. and Bearer shares unless otherwise stated. 5 Y50 denom. unless otherwise attack. 5 Price at time of suspension. 2 Romas. 5 Schillings

85 +0.8 9.38 11.0 150 +3 | 15.6 5.2 123.7+0.4 18.76 7.6 41.6-0.4 - -121.5±-0.5 9.37 3.9

1584 ...... 16.16 5.4 153.7 + 0.4 9.58 3.0 287 ..... 28.12 4.9 206 .+1.5 26.12 6.9

Price + or Div. Yid.

57.2 + 0.3 22.5 8.0 211.5 ... 24 8.6 157.1—2.2 38 4.9

Yolkswagen.. ...

AMSTERDAM

July 2

Ahold (Fl.20)..... Akzo (Fl.20)..... Alg'm Bk (Fl 100) Amev (Fl.10)... Amrob k (Fl.20).. Bijenkorf..... BokaW stm(Fl III Buhrm Tetter

Hoog'ns (FI.20)... HunterD.(FI.100' K.L.M. (FI.100) ... int. Muller(FI.20' Nat. Ned InsF110'

NedCr'dBkF1.20 NedMidBk(F1.50 Oca (F1.20)......

VIENNA

GERMANY +

50 22 3.55 32% 1314 2.50 29%

TOKYO ¶

July 2

Source Nikko Securities, Tokyo

July 2 Price + or' Div. Yid.

82.75 + 1 740 :-14 3.461 m - 47

17.710 -- 300 600 5.4

-5 8 5.2 +10 10 2.7 +16 22 1.8 +10 22 5.8 +10 22 5.6 -5 10 5.6 -5 5 6.6 0 -250 1100 1.5 -10 -81.5 5.7 +10 81 1.8 +10 81 1.8 +10 81 1.8 +5 81.5 5.7 +4 10 1.4 +5 1.5 5.1 +2 26 1.5 -2 26 1.5 +3 12 3.7

BRUSSELS/LUXEMBOURG

10 9: 38 -9

1000

-5 --20 100

Price + or Fra. Yid.

to F1 126.30.

39 cents.

Johannesburg

Gold issues showed no decided trend after a thin trade, with

dealers noting that many shares were being quoted ex-dividend Mining Financials were little

changed, but Diamond leader

De Beers climbed 17 cents to

R8.37 on local and overseas de-

mand. Platinums were quiefly

firmer in line with free market

prices, while Collieries were generally higher after recent

Narrowly mixed after quiet

trading.
Stocks in the International

sector were fractionally lower, reflecting in part an easier dollar on the foreign exchange

market Royal Dutch Shell, which posted consistent gains a week

ago in the wake of higher world

oil prices, shed 30 cents to Fl 147.00. Unitever was an excep-

tion however, moving up 50 cents

in Pakhord, whose tank storage

business shows signs of improve-

Turnover was relatively brisk

easier in light dealings.

Amsterdam :

c Cants. d Dividend after pending rights and/or scrip issue. is Per share. f france. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tex free. n francs including Unilao div. p Nom. g Share split. s Div. and yield exclude special payment. t indicated div. u Unofficial trading. v Minority hotders only. y Marger pending. Asked. † Bid. § Traded. † Seller. 2 Assumed. pr Ex rights. xd Ex dividend. xc Ex acrop lasue. xe Ex all. A Interim since increased.

July 2 Yen — A e

Asahi Glass 545 +2 14, 2.0

Caron. 540 +5 12 1.1

Casio 715 5 25 1.7

Chinon 325 4 20 4.7

Dai NipponFrint 550 -10 18 1.5

Full Photo 621 16 12 1.1

Honda Motors 545 -16 18 1.

House Food 865 5 5 32 2.

C Noh 583 -5 12 1.

Ito Yokado 1,390 50 1.

Jacos 510 -5 13 1.

AUSTRALIA

Aust. Consolidated Inda.

ESCOR..... Eider-Smith...

NEW YORK -BOW JOHES

High Low High Low ● Industr'is 841 92 845,04 840 52 837,66 844 25 549 16 878,72 The Rundle oil shale twins ased from their day's highs H'me B'nds 85. 0 83.25 85.75 85.85 85.85 241.55 243.57 242.26 242.89 241.82 253.82 243.63 2 (12/6) ... (12/6) ... (15/6) AS4.01m, but Southern Pacific Petroleum were still a net Utilities ... 60 cents up at AS6.10 and Central

34,840 38,540 38.780 34.940, 31,430 36,566 Pacific 80 cents higher at A\$15.00. e Day's high 848,12 low 837.20 Elsewhere in the Minings sector, Metals Exploration, 78 cents, and MIM, ASS 22, added

June 22 | June 15 | June 8 | Year ago appro 8 cents apiece, while Otter 6.97 6.01 6.07 5.68 Exploration improved 6 cents to ANZ Banking were quoted ex-rights and ex-dividend at A\$3.50. STANDARD AND POORS rights and ex-dividend at Ass.s., while following a major capital reconstruction. Westfield Corporation was delisted and replaced by Westfield Property Trust units, which closed at 98 cents and Westfield Holdings shares, finishing at A\$2.55. 1979 June June June June June June 23 28 27 26 25 22 High Low High Com

Indust'is ... 114.14, 115.95 113.40 112.75 118.29 113.94 118.65 107.69 144.64 5.67 (971) (2712) (117.175) 30568 (971) (2712) (117.175) 30568 (971) (117.175) 102.60 102.63 102.64 103.64 (96.16 125.65 6.66 (97.2) (117.16) (117.16) (117.16) June 20 | June 15 | 5.30 5.24 ind. div. yield % 7.98 . 7.91 Ind. P/E Ratio Lon Gov. Bond Yield

June 29 June 28 June 22 June June June June 29 28 27 26 High Low 58.3858.3358.0157.67 58.38 63.88 (25/6) (27/8) High 1518.4 1814.4 1811.6 1589.5 TORONTO Composite JOHANKESBURG

Australia (1) 585.21 578.62 | 597.58 : 545.72 (7) 108.04 188.28 108.08 ) SWITZ TILE (C)DITERING 71.5 Dec. 1953. H. Amsterdam (nidustrial 1950. 1957). 19 Heng Sang Bank 31/164. (176) III-Banca Commerciate taiting 1921. 71.3 a Tokya Naw SE 4/1/98. b Stead 17/6 Times 1966. c Closed. d Madrid SE 481.85 28/12/78. c Stockholm industrial 17/784. (21) f Swiss Bank Corporation. s Unavage 32.58 able. Germany (2) 722.9 727.86 838.8 718.4 (16)1) (7/8) (16)1) (7/8) (16)1) (7/8) (16)1) (7/8) (16)1) (7/8) (16)1 (16)1) (7/8) (16)1 FRIDAY'S AGTIVE STOCKS

Aust. S

11.65 11.78 10.25 11.61

18.28

11.40 10.68 10.68 12.40 10.21

0.93

-1-0.01

Indices and base dates (all base values 100 except NYSE AK Common—50; Standards and Paora—10; and Toronto 300—1,000; the last named based on 1875). † Excluding bonds, \$400 industrials. \$400 industrials, \$400 in Amerada Hesa 585,700 NLT 501,600 Continental 017,365,100 Casesars Worlds 348,000 Taxaco 328,500 W. E. Heller 377,500 IBM.

STOCKHOLM +0.02

-0.06 +0.11 -0.02 +0.01 -0.03 OSLO

+0.05 -0.01 +0.02 +0.10 0.05

JOHANNESBURG

810nd 7.85 13.05 15.10xd 2.10xd +0.02 +0.02 +0.01

Sapple Rollings 1.35 -0.0
C. G. Smith Super 16.20xd
SA Brownes 1.57 -0.0
Tiger Osts. S. N. Mig. 10.20
United 11.28 ±0.0
Financial Raini U.S. 5.681

(Discount of 25.0%)

(+0.02

- -0.02

-0:10

+0.02

July 2 Price + or | Div. / Max | Price | Price

260 734

							_	
FNCC	<b>525</b>	11	1=			2	13	F25
HO C	F.30	_	_		_	7	. 3.40	F.30.40
HO C	F.32.50	_		_		13	2.10	
IBM C	570	1	4		_			573°
IBM C	×75	12	. 5 <sub>0</sub>			4	_	
HAM. C	*80	==		10	152	. 20	21	. "
KLM G	F.100	100	3.30	iŏ	· 4.50		·	F.102
KLM C	F.110.	10	0.20	35	3.10	1		,
			: 0.20	3-3	3.10	. —	: -	
KLM O	F.120.	- '		90	0.50	5	1.80	
KLM P	F.100	2 '	1	_		15	6.30	i
NN C	F.100		ı i	_ '		-2	7.50	F-104.30
NN C	F.110	:	_ '	41	2.20			
PET C	Fr.5000	5	50	ī	300	71	440	Fr.4890
PHI C	F.23.50				, 555	10	3.20	F.24.10
PHIC	F.85	_ :	_	14	1.20	39	1.60	
PHIC	F-27.50	:	1	20	0.50	Š	0.90	. 94
PHIP	F.25			5		-	W.WG	, •
FAI F		- 1		9	1.10	_	_	í pr
RD C	F.135	'	· - '	15	13 :	_ :		F.147.60
RD C	F.140	148	7.50	45	8.70	52	9,20	
RD G	F.145	- 3	2.40	58	4.80	~ ~	5.90	10
ÜNIĞ	F.125				7.00	ã	5.30	F-126.50
UNIC	F 130	10	0.20	5	. <u></u> .	_	J.30	F-120.00
UNIC	F.135		U.20 ,			10		. PB
unii ii	F. L33				_	100		-

**EUROPEAN OPTIONS EXCHANGE** 

75

550 F.60, 2 - 55334 450 661 9591<sub>1</sub> TOTAL VOLUME IN CONTRACTS 929 C--Call

A.B.N. Bank 14 %	Hambros Bank 14 %
Allied Irish Banks Ltd. 14 %	Will Commel 144 P
Amro Bank 14 %	E Hill Samuel
American Express Bk. 14 %	C. Hoare & Co
	Julian S. Hodge 15 %
A P Bank Ltd14 Tu	Hongkong & Shanghai 14 %
Henry Ansbacher 14 ",	Industrial Bk. of Scot. 141%
Associates Cap. Corp 14 %	Keyser Ullmann 14 m
Banco de Bilbao 14 🐾	Knowsley & Co. Ltd 15; %
Bank of Credit & Cmce. 14 %	Lloyds Bank 14 %
Bank of Cyprus 14 %	London Mercantile 14 %
Bank of N.S.W 14 0	
Banque Selge Ltd 14 %	Midland Bank
Banque du Rhone et de	
in Tamise S.A 141%	Samuel Montagu 14 0
Barclays Bank 14 %	Morgan Grentell 14 0
	National Westminster 14 %
	Norwich General Trust 14 %
Brit. Bank of Mid. East 14 %	P. S. Refson & Co 14 %
Brown Shipley 14 %	KOSSMinsier 14 G
Canada Perm't Trust 14 %	Ryl. Bk. Canada (Ldn.) 14 cf.
Cayzer Ltd 14 👣	Schlesinger Limited 14 %
Cedar Holdings 14 %	E. S. Schwah 15 %
Charterhouse Japhet 14 %	Security Trust Co. Ltd. 15 %
Choulartons 14 C	Shenley Trust 16 05
C. E. Coates 14 %	Shenley Trust 16 of
	Standard Chartered 14 %
	Trade Dev. Bank 14 0
Co-operative Bank '14 ",	Trustee Savings Bank 14 %
Corinthian Secs, 14 17	Twentieth Century Bk. 15 %
Gredit Lyonnais 14 🐾	United Bank of Knewit 14 G.
The Cyprus Popular Bk. 14 %	Whiteaway Laiding 14105
Duncan Lawrie 14 %	Williams & Glyn's 14 %
Eagil Trust 14 %	Yorkshire Bank 14 %
English Transcont 14 %	Mombers of the Assessment of
	Members of the Accepting Houses Committee.
First Nat. Fin. Corp 15!%	* 7-day deposits 114.%, 1-month
First Nat. Secs. Ltd 15] %	deposits 113.4.
Antony Cibbs 14 %	† 7-day deposits on sume of F10 000
Greyhound Guaranty 14 %	and under 1144 up to 125 000
Grindlays Bank	2 - and over ES non 1912
	Call disposits over P1 000 111, W.
Gainness Mahon 14 %	5 Demand deposits 111,00

## Warner-Commin...; 33-5; Warner-Commin...; 33-5; Waste-Man ment: 32-4; Western Bancorp 32-5; Western M.Amer... 36-5; Western Union ... 29-1; Wistinghse Elo c. 19 Weyerhaeuser ... 22-1; Whitipool 24-4; White Con. Ind ... 22-1; BASE LENDING RATES

DASE LEND	ING RAILS
A.B.N. Bank 14 % Alied Irish Banks Ltd. 14 % American Express Bk. 14 % American Express Bk. 14 % Associates Cap. Corp. 14 % Bank of Credit & Cmce. 14 % Bank of Credit & Cmce. 14 % Bank of Credit & Cmce. 14 % Bank of N.S.W. 14 % Banque Belge Ltd. 14 % Banque Belge Ltd. 14 % Banque Belge Ltd. 14 % Banciays Bank 114 % Brith Bank of Mid. East 14 % Brith Bank of Mid. East 14 % Brown Shipley 14 % Capar Holdings Ltd. 15 % Charterhouse Japhet. 14 % Choulartons 14 % Consolidated Credits 14	Hambros Bank 14 % Hill Samuel 14 % C. Hoare & Co. 114 % Julian S. Hodage 15 % Hongkong & Shanghai 14 % Industrial Bk. of Scot. 14 % Keyser Ullmann 14 % Knowsley & Co. Ltd. 15 % Lloyds Bank 14 % London Mercantile 14 % Edward Manson & Co. 15 % Midland Bank 14 % Samuel Montagu 14 % Morgan Grentell 14 % Morgan Grentell 14 % National Westminster 14 % Norwich General Trust 14 % P. S. Refson & Co. 14 % Rossminster 14 % Schlesinger Limited 14 % Trustee Savings Bank 14 % Twentieth Century Bk. 15 % United Bank of Kuwait 14 % Whiteaway Laidlaw 14 %

# adequate By Our Commodition Sub

MYRID: VEHEAT JUDGES Should be altequate up the 1874.

So season despite at anyeled of per cept out in the furnish, the Interpolations Wheat Court from the furnish, the Interpolations Wheat Court from the furnish the Interpolations Wheat Court from the formest periods swith the Interpolations Wheat Court from the formest swith the Interpolations Wheat Court from the formest swith the interpolations wheat grouples of the Interpolations wheat grouples formest swith the interpolation to the court from the formest season compared with the formest periods formest swith the formest wheat grouples at 1804 from the first in 1893/78. Court from the first interpolation to 1893/78. Court from the first interpolation for the formest from the first from the f

Rising wheat prices and oil induced increases in transport costs may capse some countries, especially non-oil producers to reduce their wheat imports

The report noted however, that in similar circumstances in the mid-1970s when high prices cut food and awallability many developing, countries increased their commercial purchases.

Byen if world trade does increase as forecast, wheat stocks should not fall to abnormally low levels. The report put 1978-30 ranty-over stocks at 35m Sam Jonnes against 34.7m a year earlier.

Meanwhile the Home Grown Cereals, Authority said the

Cereals Authority said the Ministry of Agriculture still estimales UK cereal production at F. Inc londers in the 1978-79 crop year.

TIVE STOCE!

3 TH 1415

Land Land

#### Potato duty cut welcomed

CYPRIOT COVERNMENT offciais have welcomed the EECs decision to grant a 35 per cent decision to great a 55 per cent. Treaty of Accession to the EEC.
Treaty of Accession to the EEC.
New Zealand is permitted to sell toms tariff for 30,000 tomes of butters wear continue on the UK market subject to a countries on the UK market subject to a countries (mainly the UK) from May 16 to June 30.

Under a provision in Britain's reply to a Parliamentary question to the EEC.
He said figures given by the EEC Commission showed that special import levy. However, the 1.5 per cent price increase, the New Zealanders have been changes in green currency rates, salling little more than half increases in the milk powder

## Simplies of Heavy falls in London wheat copper and tin prices

Aluminimum too was only marginally lower, following the trend in copper, but nickel fell heavily with the three months quotation losing £232.5 to close at £2,535 a tonne.

In New York Handy and Harman, the big U.S. silver refiners, said that three of its precious metal processing and fabrica-tion plants; had been hit by strikes called by the United Steelworkers union. The company said it was too early to predict the length or effects of the strike.

It will try to service customers by various alternative arrangements. Three other precious metal plants are not affected by the stoppage.-

Silver holdings in London Metal Exchange warehouses last week fell by 310,000 to 18,940,000 oz. Other warehouse stocks changes: Copper down by 3,750 to 193,825 tonnes; tin up by 250 to 2,060 tonnes; lead up by 1,700 to 20,550; zinc fell by 2,475, to 63,575 tonnes and aluminium fell by 950 to 23.625

## Cut in NZ butter levy likely

BY MARGARET VAN HATTEM IN BRUSSELS

Committee is expected at its meeting on Thinsday to cut the special limport levy on New Zealand butter, in line with decisions taken at the farm price review earlier this month. EEC Commission officials said

yesterday that the matter had not been put to the vote at last Thursday's meeting because it was feared that strong opposition from several butter-producing member states might have proved insurmountable at that

time

However, following a stronglyworded telegram of portest from
Mr. Beter Walker the UK Agriculture, Minister to Mr. Fin
Gundelach, the farm commissloper, the officials is in the
Commission-was trying to persuade other EEC delegations to
agree to the cour. agree to fae cuts.

Juder & provision in Britain's

them to be able to compete with suppliers in France, Denmark, Ireland and Holland.

At the farm price review in Luxembourg two weeks ago, Farm Ministers agreed that the UK butter subsidy of 38 units of account/100 Kg to be introduced on July 2, should apply to New Zealand butter price in British Zealand butter. But this has shops.

HE ECC's Dairy Management their quote because, they say, been delayed by the fallure of the levy is currenly too high for last week's management committee meeting to decide on cuts in the import levy, aimed at making New Zealand butter

more competitive.
Our commodities staff adds: Mr. Walker has persuaded the UK Treasury to underwrite a countervailing cut in the New

#### Farm deal worth £34m

BY OUR COMMODITIES STAFF

farm price package negotiated in Luxembourg last month, Mr. Peter Walker, Minister of Agriculture, stated in a written reply to a Parliamentary ques-

BRITAIN WILL have a net and butter subsidies and other benefit of £34m from the EEC changes in the milk and fruit and vegetables sectors resulted in a £298m addition to the total

farm budget. Britain's share of this is 16.5 per cent or £49m but after taking account of the butter subsidy (£65m), the school milk subsidy (£4m) and extra receipts due to the Green Pound devaluation (£14m) the net result for Britain is a benefit of £34m, Mr. Walket said.

#### Colombia warns on coffee pact

COFFEE PRODUCING countries would be forced to defeud their economies if consumers did not participate in price stabilisation measures, Dr. Turbay Ayala, President of the Colombian Republic warned in London vesterday. The Colombian president

said that if consumers continued to consider it better to leave matters to the law of supply and demand the producing countries must concludes that they were not really interested in an international agreement. Dr. Turbay Avala said that

Unctad was not a suitable forum for discussions on stock policy, which was the key to price stability. Individual commodity agreements were the cornerstone for co-operation between developed and developing countries.

The President said the time was ripe for the adoption of long-term policies. The recent frost in Brazil had affected an area hitherto frost-free, and the fact that it occurred in May raised the disturbing possibility of the frost striking agaln.

Because of the impetus of production provided by the rise la prices, producers could soon find themselves with a lack of adequate instruments for dealing with an excess supply of coffee. • Coffee futures fell in

London and New York yesterday, following reports of warmer weather in Brazil. Cocoa prices also fell sharply, as a result of the stronger tone in sterling and reports that the new Ghanaian military regime had

ceased executions. The September position on futures market closed £49.5 lower at £1,596 a tonue.

#### Molybdenum prices rise

By Our Commodities Staff TWO U.S. companies have raised their prices for molybdenum products. Amax Inc. announced in

Greenwich, Connecticut, yesterday that it was lifting its domestic prices by 2.3 per cent with immediate effect. This followed news on Satur-

day of increases by Duval Sales domestic prices by \$1.30 a pound, and export prices by \$0.70 'a pound, yesterday.

## New deal for farm and food urged

FARMING AND the food pro- associations for the job, he said being passed from the regions cessing industries should stop dealing with one another at arm's length in an atmosphere gators with "original and lively fuel and passes in of distrust, Sir Hector Laing, minds." He hoped they would back to the farmers. of distrust, Sir Hector Laing. chairman of United Biscuits, said at the Royal Show, Stoneleigh, Warwickshire, yesterday. try.

Calling for a "new deal" in relationships between the two industries, he also demanded that the UK should work to try to implement a common food policy, rather than an exclusively agricultural policy.
The new deal would bring a hetter understanding of costs

and necessary margins in the two allied industries. "The processor is not just a nuisance on the fringe of the farmer's world. He is the farmer's most impor-customer," Sir Hector said.

He urged farmers to work harder at marketing their pro-duce. Since the UK had never been self-sufficient in food, growers had always found a ready market for all their output. But now Britain was in the European Community there was an urgent need for a change of attitude to combat competition from abroad, Sir

Hector added. "It is no longer enough to be highly efficient producers. It is abviously absurd to go on producing more of those foodstuffs already in surplus at prices higher than people inside the Community or outside it want to pay," he said.

Mr. Peter Walker, Minister of Agriculture, said that in two or three weeks he would announce the names of a four-man team charged with investigating and advising on the marketing of farm produce and food in

Ruling out officials of the will be more than doubled to 1,000 farmers' unions and consumers 65,000 tonnes. And new plant mills.

he was looking for "totally objective and critical" investito the Department of Energy which then locates supplies of

Mr. Walker added that he

peak, and hoped the Department they arose.

The Ministry of Agriculture said. and the Department of Energy had already coped with

Farmers' reports are now little bit de trop.

fuel and passes information start a sharp and vigorous . John Cherrington, dialogue throughout the indus Financial Times Agriculture

Correspondent, was vesterday named Agricultural Communihoped to avoid fuel rationing cator of the Year at the Royal or quotas for farmers at harvest Show, Stoneleigh, Warwickshire.

He had asked for predictions "His critical appreciation when demand for diesel and and analysis of wide-ronging petrol was likely to be at its aspects of the industry, coupled with the provocative and fearof Energy would continue to less comment of the yeoman help to iron out difficulties as farmer, which he still is, qualify him pre-eminently," the citation

Mr. Cherrington commented:
"For someone who has ground hundreds of problems with local his axe for so many years and been paid for it I think it's a

#### Animal feed expansion

company in Britain, BOCM the group's existing factories.

Silcock, is to apend £10m on The new capacity will boost expansion projects aimed at the Unilever subsidiary's total boosting output by 250,000 number of factories to 20. tonnes a year.

complements a £30m spending in the past six years, was "just the beginning" of a new phase of growth Mr. Chris Jemmett. company chairman said at the Royal Show, Stoneleigh yester-

Two new bulk feed mills are to be built at Penrith, Cumbria, and Bicester, Oxon., each with an annual capacity of 75,000

Bradfords Mill at Crewkerne

The projects continue the The new investment, which company's long-term policy of moving new capacity away from the ports inland and closer to home produced supplies grain and other raw materials. "With transport costs now

rocketing, the move to the country has proved to have made sound sense," Mr. Jemmett suid.

He said the new works would be even more efficient than recently opened factories at Chilton and Aylesford where Output at the newly acquired production per worker is 4.0000 tonnes a year compared with 1,000 tonnes at the old port

#### Australia optimistic over meat exports

BY RICHARD MOOMEY

sgnificant access for its meat of an extra import quota for countries had risen dramatic-products into the Common Mar- 5,000 tonnes of quality beef cuts ally, however, reaching around ket, Mr. Geoff. Jones, chairman as opening "a crack in the of the Australian Meat and Live-door" which Australia will try stock Corporation said in to push wider. London yesterday.

AUSTRALIA still hopes to win sion, but he saw the allotment

he did not have "much joy" in to the UK annually. Last year Mr. Jones did not see a major bis talks with the EEC Commisthe total was only 12,000 tonnes. expansion in the national herd.

He sald before Britain joined Mr. Jones, who was completing the Community Australia used a six-week European tour, said to send 100,000 tonnes of meat

Meat exports to Pacific Basin ally, however, reaching around 600,000 tonnes last year. This year exports to the U.S. were likely to amount to 400,000 tonnes, with \$0,000 tonnes going to Canada, Mr. Jones said.

Mr. Jones did not see a major

#### BRITISH COMMODITY MARKETS

7

he the forward price west intrany se-sence by the strength of serving and stocks increase. When it went rough 17,000 stop-leds buying came at outsing a fell to 18,950. At the went level physical business amongs. 

There month Copper 810-817. I.G. Index Limited 01-351 3466 29 Lamont Road London, SW10 dHS.

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CORAL INDEX: Close 473-478.

INSURANCE BASE RATES

1 Vanbrugh Guaranteed Property Growth Address shows under insurance and Property Bond Table.

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## ART GALLERIES

The PARKER GALTERY 2. Alternatic WADDINGTON GALLERIES 31. Cork Street. Nicholity, W. Schmikton of vid Street. W.1. 428 1986; HENRY MOORE W.1. 428 1986; HENRY 1927-88. "Drawlings and Watersolows 1927-88. "Drawli

WADDINGTON GALLERISS 34 Control W 1, 439 1866, PATRICK CAUL-FIELD — Recent Paintings 30th June 28th July Dajly 10-5 30 Sec. 18.1

BASE METALS and there was a recovery to £7,000 bescale 201. So the project of the lower of the least of the lower of the

808-9 +6 607-8 -6 576-5 -836 578-4 -8 609 -8 454-8 ..... 

S months 344.5 - 5 543.4 - 4 S ment 353.5 - 5.75 Print west - 59.5

Morning: cash £700, three months £700, 598, 700, 703, 2, 699, 99.5, 700, 7, 700, Karb: three months £637, Alternoon: cash £695, three months £63, 54; 96, Kerb: cash £633; three months 34. We here: cash 1695; tures months 1693.

NICKEL—Lost ground in line with copper against the background of starling's strength. The first trade was 52,740 but internutient selling treasure reused a steady fell to 8 day's low of 12,520 in the afternoon rings. There was a recovery to 12,550 before a tilesa ga the kerb of 12,530. Turnovar 654 tonnes.

NICKEL am +or p.m. +or

Morning three months £2,680, 50, 55, 50; 55, 60; 40, 30, 40, 45, 40. Kerb. three months £2,630, Affarnoon: three months £2,600, 2,580, 80, 80, 50, 70, 80, 50, 30, 20, 40, 50, 30. three months £2,650, 40, 50, 30.

Cents per pound. \$5M per picul. On pravious unofficial close. **WOOL FUTURES** 

SYDNEY GREASY—Closs (is order buyer, seller, business, sales). Micron Contract July 384.0, 385.0, 385.5, 384.0, 28; Oct. 395.0, 395.5, 398.0, 395.5, 31; March 405.0, 410.0, 409.0-407.5, 13; May 412.0, 412.0, 410.0, 18; July 412.0, 414.0, 413.5, 413.0, 10; Oct. 414.5, 418.0, 414.5, 414.5, 2; Dac. 415.0, 420.0, nil, nil. Selectifs.

NEW ZEALAND CROSSBREDS—Close

LIVERPOOL COTTON—Spot and shipment seles in Liverpool amounted to 527 tonnas. A much larger demand came forward after very slow trading during recent weeks. Interest ranged over numerous quelities grown in many parts of the world, with most attantion centred on Middle Eastern and South American aupplies.

TEA AUCTION

LONDON — 53,068 psckages were offered at yesterday's tee auction. The market opened with a better damand but inquiry weakened as the sale programed. North Indians lost 3p to 5p grassed. North Indians loat 3p to 5p and plain sorts sometimes more. Bright Africans were firm to dearer. Mediums were irregular and sometimes lower. Plain tass shad 4p to 8p with some withdrawsls, particularly towards the close. Sri Lanks were 4p to 6p easier aport from dusts and a few good liquoring boo's. Average price indications: Quelity 136p per kilo (same); Medium 100p per kilo (103p); Plain 64p per kilo (same).

SUTE-Firm. July Aug. c. and f. Dundee: BWC 1267, BWD 1241, BTC 1286, BTD 1256; c. and f. Antwerp July-Aug. BWB 5620, BWC 5570, BWD 525, BTB 5660, BTC 5625, BTD 5580, July goods—firm. C. and f. Dundee, July: 40-in 10-oz 112 89, 40-in 7.5-oz 110,12; "B" twills 121,29.

Silver was fixed 3.55p an ounce higher for appt delivery in the London bullion market yesterday at 397 2p. U.S.

Saliton + or L.M.E. shoes SILVER per troy or. 397.20p +3.55 393.85p-0.4 406.50p +3.55 405.35p-1.25 420.0p +3.55 - ....

LME—Turnover 207 (178) lots of 10,000 oza. Morning: Cash 397.2, 97.3, three months 408. 9.2, 9, 8.7, 8.6, 8.8, 9. Kerbs: Three months 408.5, 8.7, Alternoon: Three months 407, 6.8, 7, 7.5, 5.8, 5, 5.2, Kerbs: Three months 406, 4.5, 4, 3.8, 4.3, 4.5, 4.4, 4.3, 4.4, 4.5, 4.3, 4, 3.8, 3.7, 3.5.

COCOA Easier as the opening levels continued to lose ground throughout the day and closed at the lows, reported GNI and Duffus.

Yesterday's + or Business COCOA | Close | - | Done

1557 1558 -58.5 1595 1556 1595 1597 -48.5 1538 1592 1652 1555 -58.0 1695 1682 1686 1889 -46.0 1725 1685 1703 1708 -51.0 1748 1703 1737 1760 -28.0 1760 1770 -32.0 1780 Sales: 2,326 (3,226). prices for July 2. 15-day everage 157.39 (157.24): 22-day everage 157.75

GRIMSBY FISH — Supply good, demand good. Prices at ship's slide (unprocessed) per stone): Shell cod (4.00-65.00. Codings C2.80-2590; Shell haddock, medium £4,50-25.60. smell £3.00-£3.60: large plaice £4.00-£4.70, medium £3.80-£4.80, bast smell £4.00-£4.70; Skinned dooffsh, large £10,00, medium £8.50: Lemon solas, large £7.00, medium £5.20.

Athough early predictions pointed toward a further advangement, Robustus toward a further advangement toward a further advangement, Robustus toward a further advangement toward a furth

CUFFEE Cline

E per tonne

(CS indicator pricts for June 29 (U.S cants per pound): Other Mild Arabicas 218.0 (213.0); Robustas ICA 1978 210 0 (208.0); ICA 1988 210.5 (206.5); Colombian Mild Arabicas 221.0 (217.0);

GRAINS

LONDON PUTURES (GAFTA)—
Markets have been quiet with switches on Sept.-Jan.-July bolstering the volume. The market opened 5 lower but there was good buying interest from commercial sources on the theory that the European Commission would grant e-port restitutions on barley in August. However, values railined sharply up to 50 higher on a lect of sellers but, in quiet markets, some hedge selling was noted and by the close values wors only between 15-25 higher. Acti reports.

WHEAT Yesterday's + or Yesterday's + or close -BUSINESS DOME — Wheat: Sept. 82 05-91.70, Nov. 95.85-95.30, Jan. 100.0-100.0, March 103.35-103.25, May 106.0-106.0. Sales: 78 Barley: Sapt. 87.95-87.40, Nov. 91.90-91.40, Jan. 95.05-95.80; March 99.25-98.96, May 102.5. Seles: 246.

IDZ.5. Seles: 245.
IMPORTED-Wheat: CWRS No. 1, 131ser cent, unquoted. U.S. Dark
torthern Spring No. 2, 14 per cent,
lune unquoted, July 97.50. Aug. 97.75,
sept. 98.50, transhipment East Coast.
J.S. Hard Winter, 131-2 per cent, Aug.
9.60, transhipment East Coast. EEG
inquoted. Maize: U.S./French July 109.50, Aug-112, transhipment East Coast. South Airtean White unquoted. South African Yellow Aug. 82.00 nominai. Barley: English feed tob Oct.-Dec. 94, East

Coast
HGCA—Average UK ex-farm spot
prices for week ending June 28: Other
milling wheat: £99.20 (~0.90). Feed
wheat: £95.70 (~1.50). Feed barley:
£91.40 (~1.10).
EEC IMPORT LEVIES—The following EEC IMPORT LEVIES—The following levies and premiums are effective for July 3 in order of current levy plus Aug., Sept. and Oct. premiums (with previous in brackets). All in units of account per tonna. Common wheat: 79.85, 0.75, 0.75, iii (78.23, rest nil): Durum wheat: 123.34, rest nil (123.34, rest nil): Rys: 82,11, rest nil (78.37, rest nil): Barley: 78.29, rest nil (78.29, rest nil): Oats—86.82, rest nil (86.82, rest nil): Maize (other than hybrid for seeding): 79.80, rest nil (79.80, rest nil): Buckwheat: 4.08, rest nil (4.06, rest nil): Grain sorghum: 78.80, rest nil (78.80, rest nil): Grain sorghum: 78.80, rest nil (78.80, rest nil): Grain sorghum: 78.80, rest nil (78.80, rest nil): Rys flour: 129.73, (124.49).

#### SOYABEAN MEAL

The London market opened with losses of £1-£2.50 on continued weak follow through, reported T. G. Roddicks. Stronger sterling put turnler pressure on prices but good com-mercial support enabled market to Yesterday + or Business Close - Dane

LONDON BAILY PRICE (raw sugar): 1010 (102.0) a conne cil lor May-

#### PRICE CHANGES

In tonnes unless otherwise stated.

July 9 + or Month 1979 — ago Free Mkt (es) \$1,530/88 ...... \$1,525/45 Freemkticifilb) 250,75c

Platin mtr'y oz £192.16 +27.18.£171 Free mkt..... £192.15 -8.45 £215.55 Quickeli'ver ..... \$285.500 .................. \$256,60 Bilver troy oz ... \$97.20µ +3.56 421.2µ 3 months ..... 428.50µ +3.56 435p -175 £7,485 -102,5 £7,180 -3136.8 Tin cash ...... £7,470 3 mths., ..... £6,995 Coconut (Phili, \$1,150 Groundnut...... Linseed Crude £405 —2 £384 Palm Malayan \$672.0c —10 \$667

French No 5 Am £109.5 ......£110,25 Other commedities | 1,596.0 | -54.5 E1,766 | Future Sept. £1,596.0 | -49.5£1,571 | -29.5£1,512.5 | CoffeeFt'rSept.2.089 | -29.5£1,512.5 | Cotton A'index 75.35c | Rubber kilo 5.160.75p | -0.5 65.50p | Sugar (Raw. ...£101.0 | -1.0 £96 | Wooltp's 64s ki|271p | -5.0 280p

\* Nominal. † New crop. ‡ Unquoted. In tonnes unless otherwise\_stated. ... Johnes uniess otherwise stated, o August. & July-Aug. w Sept.-Oct. o Nov. & Indicator. § Buyer.

June Shipment, White auger daily price was £104.0 (105.0).

Sentiment was adversely affected by the large quantity tendered against the July position in New York, so that opening quotations were around 50 noints below are weakend some 1 comments. July position in New York, so that opening questions were around 50 points below pre-weekend levels. Long inquidation developed which found only scattered support scale-down, and the market closed around the lows of

£ per tonne Aug..... 105.50-05.75 108.50-06.80 108.59-05.80 106... 108.95.09.00 109.75-03.90 10.25-08.80 106... 115.15-15.20 113.90-14.00.114.25-15.00 March ... 118.85 18.95/119.40-19.60/120.44-18.85 May .... 121.25 21.49 122.05 22 10 121.80 21.55 Aug .... 124.00 25.00 125.90 26.00 Oct. .... 128.10 28.00 128.50 29.70

Sales: 1,232 (3,426) lots of 50 tonnes.

Sales: 1,222 (3,426) lots of 30 donnes.

Tate and tyle ex-refinery price for granulated basis white sugar was £299,55 (£279.50) a tonne for home trade and £170.0 (£171.0) for expert. International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port): Price for June 29. cents per pount.
Canbbean port): Price for June 23.
Daily price 8.55 (8.51), 15-day average
8.25 (8.20).
WHITE SUGAR—Close (in order
Variances sales). Sept. WHITE SUGAR—Close (in order buyer, seller, business, sales). Sept. 107.00, 107.50, 109.00-107.25, 45; Nov. 111.00, 111.25, 112.00-111.25, 40; Feb. 118.00, 118.75, 119.25-119.00, 25; April 121.00, 122.00, nil, nil; July 126.25, 127.00, nil, nil; Sept. 129.00, 132.00, nil, nil, Nov. 131.00, 138.00, nil, nil, Sales; 111.

MEAT/VEGETABLES MEAT COMMISSION—Average fat-stock prices at representative markets on June 30. GB cartle 88,95p per kg. i.w. (+0.82): UK sheep 170.8p per ky. est.d.c.w. (-5.9): GB pigs 58.2p

#### AMERICAN MARKETS

THE GRAINS and soyabean complex 37.70-27.55. April 37.72 bid June 41.50-advances to near limit up. Meets were Sales: 4 590 mixed on a good showing by hogs and minor losses by the cattle. Minor gains in gold were more than offset by the losses in silver, caused by telk of the likelihood of, a rocession which also brought copper prices to limit down. Coties and cocos were both limit down. with coffee reacting to profit-laking and cocoa to a more normal situation in Ghans. Sugar advanced slightly with the strength of the pound being an important factor in the market arbitrage.

continued its recovery from with further minor gains, Cotton continued its incovery from Friday with further minor gains, Heinold reported Coffee—July 21.00 (215.23). Sept. 217.53 (221.53). Dec. 216.00, March 212.91, May 212.49, July 209.00, Sept. 209.55, Dec. nil.

Cocce—July nil (147.75), Sept. nil (183.25), Dec. nil. March nil, May nil, July nil, Sept. nil. Copper—July 78.30 (81.20). Aug. 78.30, 181.25), Sept. 78.30, Dec. 76.90, Jen. 78.10, March 79.55, May 79.60, July 80.20, Sept. 80.45, Dec. 80.70, Jan. 80.80, March 81.05, May 81.15.

Gold—July 282.30 (281.901, Aug. 284.00 (283.80), Sept. 286.40, Oct. 289.10, Dec. 80.70, Feb. 298.70, April 303.30, June 308.00, Aug. 312.50, Oct. 317.00, Dec. 321.40, Feb. 326.80, April 300.20.

\*Platinum—July 419.50 (423.00), Aug. 119.

\*Platinum-July 419.50 (423.00), Aug. Traunum—July 419.50 (423.00), Aug. nli (nil), Sept. nil, Oct. 418.50, Jan 420.20, April 422.70, July 425.50, Oct. 428.30, Jen. 431.20, Potatoes (round whites)—Nev. 85.3 428.30, Jen. 431.20, Juny 428.30, Oct. Potatoes (round whites)—Nov. 85 3 (84.8), March 83.2 (82.8), April nil, May 108.1 Seles. 238. 458.4 (885.3), Aug. 238. 458.2 (870.7), Sept. 858.5, Dec. 827.0 Jan. 892.5, March 903 4, May 914.3 July 925 2, Sept. 936 1, Oct. 953.1 Jan. 858.8, March 969.6, May 980.8, Handy and Harman spot 854.60 2 (858.00).

(858.00). CHICAGO. July Z.
Lard—Chicago loose not available.
New York prime steam not available.
Live Cattle—Aug. 66.00-86.13 (66.72-66.07). Oct. 64.15-64.30 (65.22-64.22).
Dec. 66.90-66.50. Jan 68.05 asked, Feb. 68.75-68.70, April 70 15 bid 70.20, June 71.25 asked, Aug. 70.70 asked, Oct. 69.75 asked, Dec. 71.25 asked. Sales: 18.191

Nov. 200.0. Shell Eggs—July 52 30 old (52.00-52.30), Aug. nil (55.46-55.40), Sept. 59 30. Oct. nil, Nov. 61.75 asked, Dec. nil. Total sales 56 Silver—July 8861 0 (871.8). Aug. 647 0.867.5 (875.3), Oct. 580.0. Dec. 820.0.891 0, Feb. 201 5, April 912 0, June 922 5, Aug. 931 0, Oct. 944 0, Dec. 955 0, Feb. 966.0. April 977 5 June 988 0, Aug. 1001.0, Oct. 1013 0, Dec. 1025 0, Feb. 1007.0, April 1049.0 June 1054.6.

No Winnipeg market prices are available due to a public holiday in Canada.

#Soyabenns — July 748-748 (741);;; August 750;; 755; (747);); Sopt 751; 7494; Nov. 744; 743];, Jen 755-757; March 766; May 772; July 773; iSoyabean Mest—July 254.00-205.00 (198.20); August 203.30-205.00 (198.20); August 203.30-205.00 (198.20); August 203.00-205.00 July 203.00; Dec. 205.00-203.00; Jan. 206.00, March 208.00, May 208.00-207.50; July 207.00-205.00; Soyabean Oil — July 27.55-27.60 (27.77); August 27.55-27.60 (27.70); August 27.55-27.60 (27.70); August 27.55-27.60 (27.70); March 27.00-27.05; July 26.95; August 28.85; August 28.85

two way 27.00, July 28.95. August 28.95 twheat—July 4431-443 (4281). Sept 449-4481, (4351-1). Dec. 483-464. Morch 488-467. May 469. July 429-430.
All cents per bound ex-waretomed unless atterwise afterd 45 per troy ounce 7 Cents per troy counce 15 Cents per fect of contract the cents per 56-16 bushel 1 Contract Contr

#### Live Hogs—July 40.35-40.05 (39.45-40.20), Aug. 38.40-36.50 (35.55-36.45), **EUROPEAN MARKETS**

ROTTERDAM, July 2.
Wheat—U.S. No. 2 Dark Hard Winter
Wheat ordinary unquoted. U.S. No. 2
Red Winter wheat Aug. S195, Sept.
S197, U.S. No. 2 Northern Spring
wheat July S195, Aug. S195, Sept. \$196,
Oct. S198, Nov. \$200
Maize—U.S. No. 3 Corn Yellow afloat
\$150, July \$150, Aug. \$151, Sept. \$151,
July-Sept. \$151, Oct.-Dec. \$155, Jan.March \$159.50.

FINANCIAL TIMES

June 29 June 28 Minth ago Year ago

MOODY'S

June 29 June 28 M'nth ago Year ago

1080.1 1087.4 1066.1 915.9

(December 31, 1931 = 100)

**INDICES** 

Cocos (FFr per 100 kdos)—July 1450-1500, Sept. 1500-1515, Dec. 1525-1535, March 1560 askad, May 1040-1570, July 1575 asked. Scles at call 1. Sugar (FFr per 100 kilos)—Aug. 341-949, Oct. 1008-1010, Nov. 1010-1015, Dec. 1060-1054, March 1092-1100, May 1120-1130, July 1130-1150, Aug. 1140-1165 Sules at call 10 DOW JONES

Spot ... 424.04 420.31 394.43 360.04 F tur's 432.11432 36 402.62 348.29 293.65 295.25 284.93 242.27 (Avarage 1924-25-26=100) (Base: July 1, 1952-100) REUTERS July 2 June 29 Minth ago Year ago

per kg. l.w. (-0.2). England and Wales: Cattle numbers up 2.9 per cent. average price 88 24p (-0.41): Sheep numbers up 11.2 per cent, average price 170.7p (-6.1): Pig numbers up price 170.7p (-6.1); P:g numbers up 1.9 per cent, average price 58.0p (-0.4). Scotland: Cattle numbers up 16 per cent, average price 91.14p (+2.05): Sheep numbers down 51 per cent, average price 176.1p (-0.51; Pro numbers up 17.8 per cent, average

SMITHFIELD—Pence per pound Beef: Scottush killed sides 64.0 to 68.0; Eire hindquarters 82.0 to 84.0, forequerters Veal: English lats 65.0 to 760; Dutch Veat: English fats 65.0 to 76.0; Dutch hinds and ends 96.0 to 99.0.
Lamb: English small 62.0 to 72.0, madium 66.0 to 70.0. Imported trozen: NZ PL 51.0 to 51.5. PM 50.0 to 51.0.
Perk: English, under 100 lb 34.5 to 43.5, 100-120 lb 34.0 to 42.0. 129-160 lb 34.0 to 41.0,

COVERT GARDEN-Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Israeli: Valencia Lates 4.45.5.6): stated: Imported Produce: Oranges—Israel: Valencia Lates 4.45-5.0: Cypnot 5.00-6.00: 5. Alincon: Nave's 4.60-6.30: Brazilian 5.20-6.40. Lemons—Italian: 100/120s 6.00: Spania, trays 30-40-45 2.86-3.20 Grapefront—South African: 32,64-3.60-5.10: Janu: 36s 4.80-5.00. Apples—S. Alincon: Granny Smith 7.40. White Winter Perminen 4.00. Starking 4.20-4.80. Golden Delicious 6.50-7.00: New Zestand Surmois 7.40. Delicious 6.50- Tasmanian: Jonathona 5.60-5.80. Golden Delicious 4.00. Starking 4.20-4.00: Golden Delicious 4.00. Starking 4.00: South 7.00. Victorian: Granny Smith 7.50. V. Australian: Granny Smith 7.50. V. Australian: Granny Smith 7.50. V. Starkington: Red Delicious per box 8.00-9.0: French: Golden Delicious 72s 2.20-2.30. 84s 1.90-2.00; jumble pack per pound 0.05-0.09. Italian Romu Beauty 6.08. 0.05.0.09, Italian Rome Beauty 6.08, 0.09, Democrats per pound 0.10.

1602 2 1617.7 1574.9 1468.9

(Base: September 18, 1931 = 100)

## **LONDON STOCK EXCHANGE**

## Widespread and heavy demand for Gilts continues after-hours bringing rises to nearly three points

Dealings tions Dealings Day Jun. 18 Jun. 28 Jun. 29 July 10 July 2 July 12 July 13 July 24 July 16 July 26 July 27 Aug. 7 "" New time" dealings may take place from 9.30 am two business days

Heavy and more widespread investment funds attracted by the remorseles advance in the pound flowed into Government stocks yesterday. Following exhaustion of the short-medium tap on Friday, the remaining high crisis level might come longer tap ran out immediately sooner than recently envisaged. dealings opened and inspired a The equity sections were general and progressive upsurge which continued after-hours and left longdated securities with extensive rises to nearly three

domestic institutional operators domestic institutional operators also made their presence felt after their recent spell of inactivity. The combination ness in shares of the major exporters.

News later that Saudi Arabia ment that official supplies of the News later that Saudi Arabia £15-paid long tap stock was to temporarily increase oil Exchequer 12 per cent A 1999, production found no reflection

Remaining high-coupon issues were not outdone and established good rises, while the shorts, recently held back by yield considerations, also moved up impressively. Perhaps signifi-cantly, there appeared to be underlying optimism that money market rates had reached their Following peak and a reduction in Minimum ort-medium Lending Rate from its current

The equity sections were slightly uncertain initially with sentiment affected by gloomy medium-term economic assessments, but leading shares improved on the back of the particularly impressive and domestic institutional operators also made their presence follows: equities was missing and values eased from the best levels with the reactionary trend set by dull-

	LON	(DOI	N T	RADI	ED (	OPTIO	ONS	5
	•	Ju	uly	00		Jan		
Option	Ex'rc'se (	Closing	Voi-	Olosing <sup>i</sup> offer	Vot	Glosing offer	Voi.	close
BP BP Com. Union Com. Union Com. Union Cons. Gold Cons. Gold Cons. Gold Cons. Gold Courtaulds Courtaulds	180 220 240 260 100 110	10 10 12 12 112 1	5 28 10	176 108 69 19 5 18 11 5 4 2 3	10	240 162 115 22 11 77 50 16 11 612 41	-=	1245p 145p 217p 39p
GEC GEC GEC Grand Mec. Brand Met. ICI ICI ICI Land Secs. Land Secs. Land Secs.	350 360 390 128 138 155 350 360 280 500	38 17 5 16 8 11; 21 8 8 91;	18	25 25 16 9 14 14	21 - 53 - 134 - 37 28	74 54 50 35 13 42 47 47 55	_	143p
Marks & Sp. Marks & Sp. Marks & Sp. Shell Shell Ehall Totals	100 110 120 350 375 400	16 , ? , 21 <sub>2</sub> , 35 15 , 8	8 - - - - 253	20 15 8 45 34 20	3 5 5 571	19 15 55 44 36 February	5 1 - - - - - - - - - - - - - - - - - -	. 115p 379p ,,,
BOC Intl. Boota IIMI EMI EMI EMI Imperial Gp.: Total	50 220 50 210 120 130 140	5 2 2 1 3 4 5 7 1 <sub>2</sub>		512 8 27 17 11 5 4	30 2 1	9 12 31 19 16	20 6 - 20 - - 47	75p 192p 104p 104p

Account Dealing Dates
Option

\*First Declara- Last Account Dealings Day
localings 10 Dealings Day

(un. 18 Jun. 28 Jun. 29 July 10

Remaining high-coupon issues

issued 11 days previously, were in the market and the FT 30- scattered improvements follow-interest share index, which had recorded in game a small business. Heywood put on williams put on 4 to 88p in include a net 1.7 up at 475.1. Rises in price went sharply higher to 18; and in the stock was heavy and the price went sharply higher to 18; and in the stock was heavy and the stock was heavy and the price went sharply higher to 18; and include industrials were in the market and the FT 30- scattered improvements follow-interest in the market and the FT 30- in game a small business. Heywood put on include a net 1.7 up at 475.1. Rises in price went sharply higher to 18; an analytic provided industrials were first the market and the FT 30- scattered improvements follow-interest in the stock was heavy and the a net 1.7 up at 475.1. Rises in response to excellent annual provided industrials were first the market and the FT 30- scattered improvements follow-interest in the stock was heavy and the a net 1.7 up at 475.1. Rises in response to excellent annual provided industrials were first the market and the FT 30- scattered improvements follow-interest in the market and the FT 30- scattered improvements follow-interest in the market and the FT 30- scattered improvements follow-interest in the stock was heavy and the a gain of 2.8 at 1 pm, closed in the stock was heavy and the a net 1.7 up at 475.1. Rises in response to excellent annual provided in the FT 30- scattered improvements follow-interest index. Heywood in the stock was heavy and the a gain of 2.8 at 1 pm, closed in the stock was heavy and the a gain of 2.8 at 1 pm, closed in the stock was heavy and the a gain of 2.8 at 1 pm, closed in the stock was heavy and the a gain of 2.8 at 1 pm, closed in the stock was heavy and the a gain of 2.8 at 1 pm, closed in the stock was heavy and the a gain of 2.8 at 1 pm

The possibility of further relaxations in exchange control regulations provoked fresh sel-ling of investment currency and the premium fell 32 points more to 27 per cent. Sterling's latest strength was also an adverse influence. Yesterday's SE conversion factor was 0.9301

Activity in Traded options was well-distributed throughout the listed stocks and the number of contracts completed rose to 1,014, almost double last week's daily average of 581. Despite quiet equity business in the underlying stock, ICI positions attracted 321 trades, while Land Sccurities continued in demand and recorded 155 trades.

Fairline Boats staged a highly satisfactory debut and, from an opening level of 98p, touched 102p following a fair amount of institutional interest before settling at 96p compared with the placing price of 80p. Phicom, the electrical and light engineering arm of Plantation Holdings, opened and closed at 40p, having meanwhile touched 45p.

Discounts buoyant Reflecting the strength of Gilt-edged, discount houses made

further good progress with Union advancing 25 to 390p and Clive adding 5 to 108p; King and Shaxson firmed 4 to 73p. Cater Ryder 12 to 380p and Jessel Toynbee 3 to 74p. The majority of clearing banks met with late interest and finished with gains to 14p. Mercury Securities firmed 11 to 172p following the annual results.

Breweries closed with a slightly firmer appearance although the gloomy industrial climate precluded any appreciable amount

support and added 8 to 180p while Phoenix improved 4 more sponded to the Prime Minister's hint that economic sanctions could be lifted by the autumn; the 2½ per cent 1965/70 slock jumped seven points to £78 and the 6 per cent 1978/81 rose five points to £113. In Foreign Railways, Antofagasta were raised 3½ to £751 ICI fluctuated narrowly in thin trading before settling at the overnight level of 345p. Among

other Chemicals, Coalite picked up 2 to 92p on Press comment and, ahead of today's annual results. Carless Capel added 3 to

MFI good again
Store leaders usually ended displaying gains limited to one or two pence following a sub-dued start to the new account. Burton A, bowever, closed 4 to the good at 266p with the Warrants 5 better at 118p as specula-tion about enfranchisement of the shares continued. Publicity given to a broker's recent circular helped MFI jump 14 for a two-day gain of 22 at 176p, white Couris (Furnishers) A advanced 4 at 142p on the 20 per cent increase in taxable profits and the proposed 50 per cent scrip issue. Early interest in the Electrical

leaders tended to fade and final quotations were a shade below few pence dearer at 362p, after 363p, and EMI 4 up at 105p, after 106p. Selective support was shown in secondary issues. United Scientific gained 9 to 333p and Eurotherm 8 to 355p, while Muirhead closed 7 dearer at 232p.

Conditions in the Engineering leaders remained rather subdued but, still reflecting the good results and capital proposals. John Brown attracted fresh support and closed 8 to the good at 513p. Elsewhere, buying ahead of today's preliminary results lifted London and Midland Industries 7 to 117p, while Tex Abrasives, annual results also due today, gained 9 to 56p in a met fresh support at 155p while of investment support. Whit- Babcock and Wilcox firmed 4 bread hardened a penny at 125p more to 1650 on hopes that the company will benefit from any results, while Distillers put on 2 future expansion in the nuclear t 215p. energy programme. Weekend Bullding descriptions recorded Press mention stimulated buying

9, and Mitchell Somers, 2 better

Leading Foods finished a shade over falls.

Corporations went higher with the main funds and closed with Support and added 8 to 180p and Lyle 2 cheaper at 138p. easier in places with Rowntree and Lyle 2 cheaper at 138p.
Among Supermarkets, Cartiers
put on 6 to 130p as bid rumours
revived. Elsewhere, the higher

> Grand Metropolitan touched 145p before settling at 143p for a net gain of 3 on hopes of a successful outcome to the rights issue. In sharp contrast, Ladbroke became increasingly unsettled by reports of objec-tions to its casino licences renewal applications and dipped 15 to 195p.

Cape Inds. higher
Firm initially, the miscelaneous Industrial leaders drifted back to close with small Beecham finished 4 dearer at 547p, after 550p, but Glaxo ended a few pence cheaper at 489, after 452p. Elsewhere, Cape Industries continued to benefit from the sale of two South African asbestos sub-sidiaries to Transvaal Consoli-dated Land Favourable weekend Press mention lifted Renwick good at 44p. Group 3 to 54p xd and Wm. Press South a penny to 25p. Awaiting the preliminary results, Ropner improved 4 to 68p and the A 2 to 65p. Dealings were tem-porarily suspended in Evode at 51p, up 10, at the request of the company pending an announcement, Sutcliffe Speakman eased 1) to 43 p on the annual loss, but Robert Moss improved 2 further to 43p in response to the preliminary results. Scattered demand lifted Macfarlane 4 to

National Carbonising 5 dearer irregular course in a subdued business. Heron were again adverse Press comment concerning the recent abortive bid talks before rallying to close a net 3 lower at 55p. CGSB reacted 2 to 20p after further consideration of last week's interim state-ment, while Hanger, 73p, and Tate of Leeds, 100p, cased 5 apiece. Among Components, spiece. Among Components, Dowty closed 6 off at 314p; the

annual results are expected to be announced on July 19.

Among idle Paper/Printings,

84p and Feeder 3 to 50p, while

revived buying on the company's North Sea oil interests left

due tomorrow. in interest rates encouraged a in interest rates encouraged a steady demand for Properties, Land Securities and MEPC improved 5 apiece to 298p and 176p respectively, while British Land firmed 3 to 73p and Rammerson A 20 to 825p. Renewed speculative support lifted herry 20 to 680p and London and Pro-

John Waddington fell 6 to 162p

20 to 680p and London and Pro-vincial Shop 6 to 236p, while persistent buying prompted a gain of 13 to 145p in Rush and Tempkins. Other firm spots Included Berkeley Hambro 7 up at 193p, Second City Properties, 3 better at 57p, and Westminster and Country, 2 to the good at

Oils mixed

The Oil leaders encountered further profit-taking, but support was forthcoming for some of the more speculative North Ser issues. British Petroleum eased 5 further to 1,240p and Shell 4 to 378p, while dollar premium influences left Royal Dutch & lower at £36%. In contrast, Oli-Exploration gained 12 to 300p, while Clyde Petroleum improved-6 to 216p and Gas and Oil Acreage put on 5 to 190p. Smaller-priced issues to improve included Charterhall, 21 to the

African industrials drifted downwards on the lower investment dollar premium, Barlow Rand falling 7 at 243p and South African Brewerles giving up 21 to 69p. Plantations were similarly affected. Kuala Lumpur Kepong, 68p, Berlams, 167o, and Highlands, 91p, all

Steady Australians

The fall in the investment dollar premium took its toll on prices in the mining sector. Australians were the most actively traded, following the firmness in Sydney overnight as the market moved up at the start of a new Pancontinental were sought, but

the unchanged price of 725p reflected the downward movement in the premium. Peko-Wallsend also attracted attention on its uranium prospects and hardened 2 to 384p. Central Pacific with a rise of 50 to 860p and South Pacific, up 17 at 340p continued to draw speculative interest on their oil shale pros-

Business was less active among South African Golds, although the undertone remained firm in

FINANCIAL TIMES STOCK INDICES 71.09 70.81 72.65 72.42 72.23 72.27 7Z.25 71.47 475.1 475.4 469.3 465.9 475.2 473.4 178.0 178.4 185.0 158 167.8 174.4 +161.9 158.9 161.5 165.1 103.4 Gold Mines(Ex-\$ pm) | | 150.6 | 158.4 | 155.6 1.93 5.94 5.97 5.00 5.90 5.93 5.70 16.33 16.18 16.27 16.27 16.07 16.15 17.50 Ord. Div. Yield ... Eachings, Yld. % (full) 7.79 7.88 7.84 7.79 7.83 7.83 7.5 17,997 19,272 16,100 14,647 15,421 14,935 7.5 110,587 85.88 67.48 71.16 80.12 18,58 15,490 15,831 10,702 11,778 11,197 11,68 P/E Ratio (net) (\*). ... Equity turnover &m Equity bargainstotal 10 am 473.1 11 am 474.2 Noon 478.1 1 pm 478.2 2 pm 475.7 3 pm 475.8 Litest Index 01-268 8025. \* Nit=7.49. :

SE ACTIALLY	وخد الاالال	. 1042.					
Н	IGHS		LOW		S.E. A	CTIVI	
	14	979	Since Co	mpkat'n,	1 % - 1 *	July-	dine.
-	Hìgh	Low	High:	· Low ·		2	
Covt. Secs-	75.91 (4/5)	64.64	127.4	49.1 <del>8</del> (8/1/75)	- Daily Gift Edged - Industrials -	147.7 131.2	126.8 127.1
ixed int	77.75 (6/5)	65.03 (18/2)	150.4 (28/11/47)	30.53 (3/1/75) -	Speculative Totals	18.6 88.4	36,7 84,2
nd Ord	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)		5 d'y Av'r ge		
Zold Mines	208.4 (6/6)	129.9		48:5 (26/10/71)	Gill Edged- Industrials	131,5	110.5
Sold Mines (Ex-Spm)	169.5 (6/6)	95.2 (2/1)	337:1 (\$ 4 74)	54.5 (25/8 76)	Speculative.	26.2 88.0	28.2 26.2

bullion price. What demand there was centred on stocks which yesterday did not go exdividend, notably Buffelsfontein and Western Deep which showed good gains in dollar terms, but were held back in sterling terms

by the premium. Their prices were respectively 723p, up 11, and 766p, down 3. The Gold Mines Index fell 5.9 to 161.9 because of the large ruppler of stocks whing are number of stocks going ex-dividend; had it not been for these special deductions, the Index would have been down

only 24 at 1654. The e index was 1.8 lower at 150.6. South African Financial featured De Bears Whist attracted Cape demand because of the account

was 2 lower at 363p. Tins were generally lower on premium considerations with Ayer Hitam falling 15 to 2850. Domestic stocks fell in symmetry and Geever settled 10 lower

#### NEW HIGHS AND LOWS FOR 1979

NEW HIGHS (29) Treasury 12pc 56 (550 pd.)
Exchequer 12pc 56 (550 pd.)
Antologast Railway
EANNE (1)
Contage 8 National Carlesa Capel Carless Capel STORES (3)
Hardy (Furn.) A N-V Michael (L.)
MFI Farniture
ELECTRICALS (1)

Evode Paedex Agric PROPERTY (2) North Erit, Propi Avenue Close SHIPPING (2).
Reardon Smith TRUSTS (2)
London Merchan

MINUTE CO.

NEW LOWS (187) .
PORITION BONDS (13
AMERICANE (38)

Central Pacific -

RISES AND FALES YESTERDAY 812 847 1300

### Morgan Grenfell group posts

J. H. L. Norton have been appointed directors of MORGAN GRENFELL AND COMPANY.
Mr. D. T. A. Boyle, Mr. M.
Bullock, Mr. M. E. Hildesley and
Mr. B. D. Wood have become senior assistant directors, and Mr. A. J. Brown and Mrs. F. A. Edwards have been made essistant directors. Mr. P. B. H. Poloniecki has been appointed director of Morgan Grenfell Investments.

Mr. Nicholas J. Hall has been appointed group fluencial con-troller of BURNET AND HAL-LAMSHIRE HOLDINGS.

Mr. Brian Dean, secretary of Equity Capital for Industry, has been appointed a non-executive director of ANDREW R. FIND-

Mr. Francis Perkins, chairman of the British Insurance Brokers' Association and of the UK Insurance Brokers' European Committee, has retired as chairman of the Common Market Committee of the BUREAU INTERNATIONAL DES PRODUCTEURS D'ASSURANCES ET DE REASSURANCES and has been succeeded by Mr. Oswald Hubener of Jauch and Hubener, Hamburg, President of Verein Deutscher Versigherungs-

Mr. Bill Jolliffe, County Treasurer for Lancashire, has been elected president of the CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY for 1979-80. The retiring president is Mr. Ray

Mr. Jim Mundell has taken lover as chairman of the North-West Region of the CON-West Region of the CON-FEDERATION OF BRITISH INDUSTRY succeeding Mr. Ken

Mr. Charles Wilson has been appointed chairman of DAWNAY DAY INDUSTRIES, following the

OF TWO CENTURIES

STARTS TOMORROW (Open Saturday, July 7th until 4pm)

DRAMATIC REDUCTIONS

knitwear, lies and shees (inc. Church's).

BUY NOW AT NEVER TO BE REPEATED PRICES! CHESTER BARRIE, D'AVENZA and other selected suit ranges up to 48" chest. PLUS GENUINE REDUCTIONS on

FIEVES & HAWKES

blazers, sports jackets, trousers, shirts, pyjamas,

Mr. David Wood, group financial cover his new position in success controller, has joined the Board of Dawnay Day Group. Mr. Robert September.

Kitzinger becomes a member of \*\* the Board of Dawnay Day and

Mr. Stanley W. Bolden, a director of SPECTROL RELIANCE, has been appointed general manager of the company.

Mr. R. B. Colbran, Mr. C. J. Cornwall, Mr. D. E. Fellows, Mr. I. L. Rushion and Mr. K. G. Smith have been elected members of the council of the INSTITUTE OF ACTUARIES. The Councils of that Institute and the Faculty of Actuaries state that Mr. W. W. Truckle has been appointed to succeed Mr. E. J. W. Dyson when the retires as terrology records of the retires as secretary-general of the Actuarial Tuition Service on December 13. Mr. Truckle will combine the post of director of the Actuarial Tuition Service with the new title of chief education of the Actuarial Tuition Service with the new title of chief education of the Actuarian of the A tion officer of the Institute of Actuaries.

Mr. David Davidson, a member of the midland and north west regional committee of UNI-CHEM. has been appointed a non-executive director.

Mr. C. D. Grier has been appointed managing director of BRIDGTOWN INDUSTRIES, a subsidiary of Duport in succession to Mr. M. J. Watters, who is retiring because of ill-health. Mr. R. A. Moulder has been appointed a non-executive appointed a non-executive director of that subsidiary.

Hajor John R. Henderson has been appointed to be Vice-Lord Lieutenant of the ROYAL COUNTY OF BERKSHIRE. He is a partner in Cazenove and Co. stockbrokers, and a director of Barclays Bank.

Mr. Ralph T. Kanter has been appointed group chief executive of the FENTON HILL GROUP. He is at present group managing director banking of the Thomas

Mr. J. A. Franklin and Mr. director of Dawnay Day Group. Cook Group and will be taking sion to Mr. Brian Winston during

> Mr. John Harcourt has been appointed a director and general manager of CARDINAL STEEL STOCKHOLDERS. He was pre-viously with GKN Steelstock.

Mr. Alan F. Winton and Mr. Vernon J. Lewis have been ap-pointed joint managing directors of RANCO EUROPE in the UK.

Mr. J. A. Jeanes has become BUILDING SOCIETY. Mr. H. Taylforth, who was elected a director earlier this year, continues as general manager.

Mr. C. H. Poulton has been appointed a director of SPENCER GEARS (HOLDINGS) and Mr. C. H. Spencer has retired from the Board. Mr. Poulton joined the group in 1976 and succeeded Mr. Spencer as managing director Spencer Gears Limited, a

Mr. K. A. Barnett and Mr. D. W. Evans have been appointed to the main Board of Bartella.

Mr. Timothy J. Murphy has been appointed chief manager for Spain of NATIONAL WEST-MINSTER BANK.

Mr. J. M. Houston has been appointed group accountant of COATS PATONS in succession to Mr. D. M. Crawford, who has

Mr. D. W. Neighbour, former managing director of PHS Van Ommeren (London), has been made chairman of the NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION succeeding Mr. D. Conway who has retired.

Mr. Lionel Woodcock has become managing director of SSI INTERNATIONAL, recently formed to market Simplan, the computer-based corporate planning and modelling system. Mr. John Savage has become sales manager and Mr. Geoffrey Johnson, service manager.

Mr. Richard Blake has been appointed financial director of MARDON SON AND HALL (Mardon Packaging International). He succeeds Mr. Alan national). He succeeus air. Alan Knight, who becomes personnel director designate, pending the retirement at the end of the year of Mr. C. S. N. Tomiin.

Mr. Alastair MacDonald and Mr. Christopher Walls have Joined SIMON AND COATES, stockbrokers, as property specialists. Mr. MacDonald was formerly with Debenham Tewson and Chinnocks. Mr. Walls was previously property analyst at W. Greenwell, stockbrokers.

Mr. Paul R. Dudman has been appointed a full partner for investment matters of EDWARD ERDMAN AND CO. and Mr. Trevor A. Morgan has been made an associate partner.

DEALING DATES Last Last For Mining Deal- Declars- Settle- haven tion Jun. 26 July 9 Sep. 20 Oct. 2 Capital and Counties, Laurence July 10 July 23 Oct. 4. Oct. 16 Juyl 24 Aug. 6 Oct. 18 Oct. 30 Oxley Printing, Bougainville, Share Information Service

Mining, William Bolton, Bel-haven Brewery, Raybeck, Brewery, ment Misconcrete, John Brown, Scott, Town and City. Maynards, Share Information Service Hogg Robinson and William Money was given for the call Press. No puts were reported.

#### ACTIVE STOCKS No. Denomins of Closing Change 1979

Stock	tion	marks	price (p)	on day	high	low
Unilever	35p	9	548xd	- 8 <del>1</del>	680	520 °
BP	£1	8	1.340	- 5	1.295	882
Fairline Boats					•	
'New'	10p	8	96	_	99	96
Lon. & Midlands		-				-
Inds	25p	8	117	+ 7	133	98
Ladbroke	10p	7	195	-15	243	167
Stand. Tel. &						
Cables 'New'	25p	7	182		186	178
Ultramar 'New'	25p	7	318		319	310
Burmah Oil	£ĩ	ñ	136	+ 1	136	82
Grand Met. 'New'	50p	6	144	+ 8	144	131
Lloyds Bank	£1	6	328	+12	380	272
BATs Defd	25p	5	257	<del>- 1</del>	337	242
Coalite Grp	25p	5	92	+ 2	92	62
EMI	50ր	E	105	+ 4	144	04
Glaxo	30p	. 5	448	<b>– 2</b>	600	438
ICI	£1	5	345	_	415	345
	-	-				-24

#### RECENT ISSUES EQUITIES

Issue Price p:	Amoun	Renum Pate	High	79 Low	Stock	Ofosing Price pt	+ or 2	Amount Times	Gross Yield Ratio
60 801 <sub>2</sub>	F.P. F.P. F.P. F.P. F.P.	22.6 32/6	91 76 99 53 41 37 44 186	66 97 61 3 35	B & Q (Retail) 5p	72 97 514 4 35 40	b	d5.0: 2.2 b3.5) 3.6 4.0; ~ 	6.9 7.2 5.1 7.0 11.6 — — — — 3.6 14.6

#### **FIXED INTEREST STOCKS**

IIII EREST STOOTS										
leeue Price	High Low	Stock	20 to							
190 100 100 98	F.P. 26/6 102 90 M	nglish & Overses Inv. Conv., wik-Fit (Tyres) 8% Cnv. Ln, 19 krsh II's Univ rs' 174% Cnv.Cur ortsmouth Water 8% Red. Po ork Water 12% Deb 1985	79/85!110   n.Red.Prfi 90   -1 r. 1984101 :							
	"RIGI	HTS" OFFERS								
Issue Price p:	Renunc. 1979 Pate High	Stock	Closing prices							

# John 157 McCorquous 174 1pm McCorquous 121 10112 M.A. Holdings 121 10112 P. M.A. Holdings 121 40pm Poterson Tennant.

on prospectus or other official estimates for 1979. Q Gross. It Playures assumed.

Cover allows for conversion of abares not now ranking for drawdend or ranking enly for restricted dividends. S Placing price to public. Pt Pence unless otherwise indicated. Susued by tender. If Offered to holders of ordinary abares as a "nights." Issued by very of capitalisation. S Reintroduced. 11 Issued to connection with reorganisation, merger or tokeover. R Introduction. I lessed to former preference holders. A Allotment latters (or fully-paid). Provisional or perty-paid allotment latters. A With werrants. It United Security 11 Issued so units comprising 2 Income shares and 10 Capital shares at 125p per unit.

#### FT-ACTUARIES SHARE INDICES

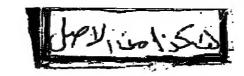
and the Faculty of Actuaries

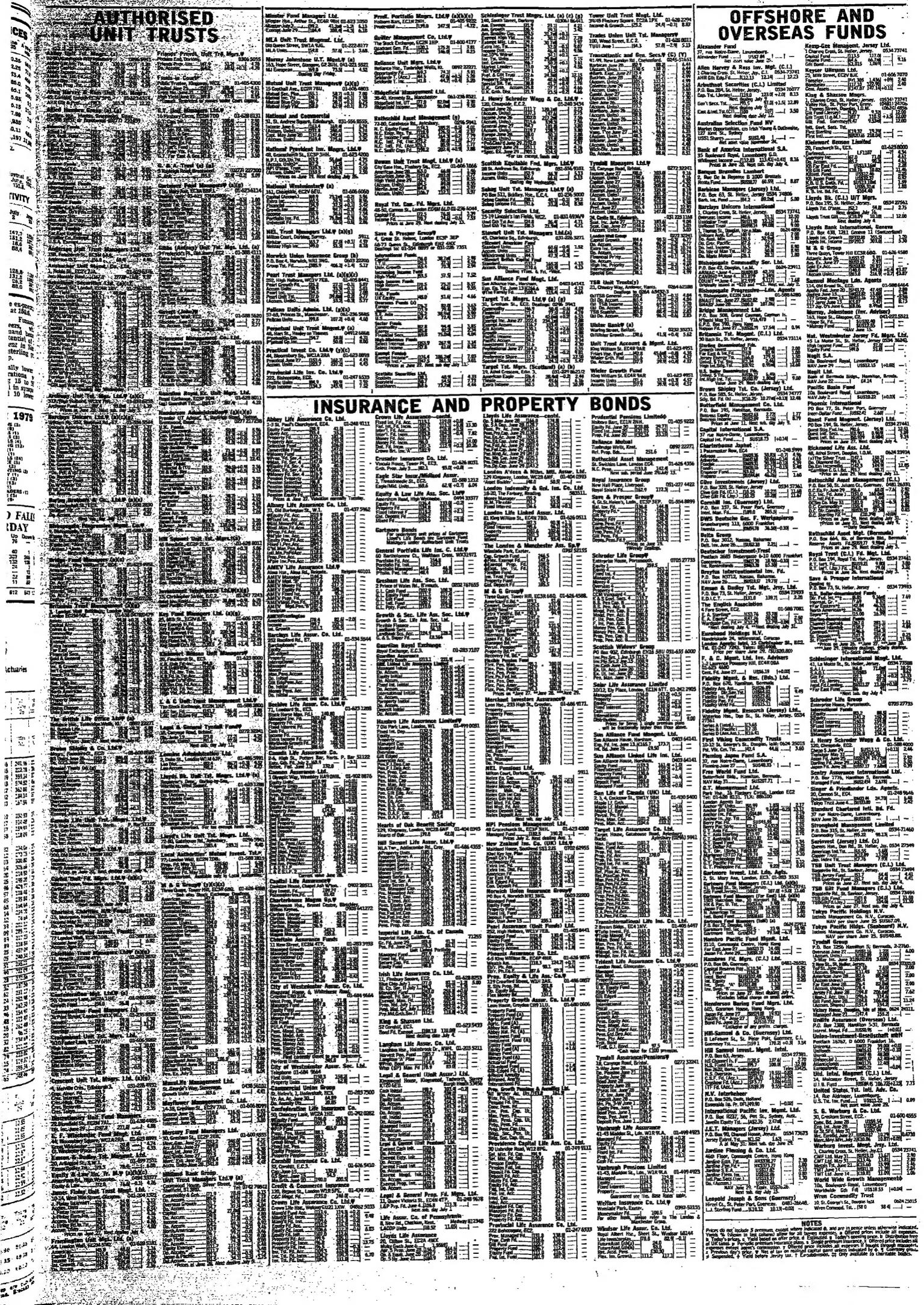
	EQUITY GROUPS			Mon., July 2, 1979					Thurs. June 28	Wed., June 27	Tues, June 26	Year ago (approx.)
	& SUB-SECTIONS  Figures in parentheses show number of stocks per section		Index.	Day's Change %	Est. Exercises Yield % (Max.)	Gross Biv. Yield % (ACT at 30%)	(Net)	îadex No.	-Endese Na.	Index - No.	Index No.	Index No.
	1	CAPITAL 6000S (172) ,	243.22	+0,2	17.44	5.55	7.49	1 242.67	201.27	239.46	241.96	218.25
- 1	2	Building Materials (27)	225.89	+0.2	17.57	5.58	7.54	225.45	222.72	221.45	222.78	1866
	3	Contracting, Construction (28)	361.30	+0.9	25.04	5,76	5.03	358.15	353:54	354.49	358.14	33741
	5	Electricals (14)	586.48	+0.4	13.15	3.30	10.47	584.13	579.23	565.33		456.50
-1	6	Engineering Contractors (12)	367.90 182.27	+8.9	19.70	6.33	6.50	364.54	36L85	360.17	362.00	318.46
	·ā	Metals and Metal Forming(16)	164.52	-0.1 -0.3	18.09	6.20	7.18	182.37	182,31	162.32	184,14	147.70
- 1		CONSUMER GOODS	20.00	-0,5	17.00	930	6.37	165.07	165.72	156.33	167.54	151.75
-1	11	(DURABLE) (52)	228.03	-0.5	15.38	4.89	8.52	225.88	227.74			
1	12	LL Electronics, Radio, TV (16)	312.07	-0.4	12:03	3.69	11.66	312.48	310.40	224.18 311.27	230.53	193.23
١	13	Household Goods (12),	158.33	+0.4	17.83	7.09	7.36	157.73	157.93	15937	314.48 157.99	226.55 123.11
١	14	Motors and Distributors (24)	116.78	-0.7	22.34	7.30	5.44	117.62	116.90	116.5	118.04	122.99
. 1	21	CONSUMER GOODS (NON-DURABLE) (171)			-		1 '''	File:	1			112
)	22	Breweries (14)	234.22		16.20	5.78	7.82	234.21	252.65	-230.82	234.66	197.30
١	23	Wines and Spirits (6)	202.00	+0.7	15.23	. 5.42	7.76	270.71	268.08	255.32	279.75	220.22
ı	24	Entertainment, Catering (17)	217 20	+12	15.50 15.67	4.76 6.39	9.40	300.71	297.37	294.03	300.80	250.12
l	25	Food Manufacturing (19)	208.44	-3.4	18.94	6.13	8,41	313.61	305,68	301.69	306.66	247.63
1	26	Food Retailing (15)	202 27		1201	4.07	10.35	-215,70 292.27	214.93	212.20	214.80	19112.
ı	32 33	Newspapers, Publishing (12)	428 48	4.0+	21.79	6.79	6.51	426.30	427.53	290.25 425.96	-215.20	19738
1	34	Packaging and Paper (15)	128.54	+0.1	23.17	8.30	5.59	128.47	125.00	127.57	423.77. 128.48	386.52 131.26
ł	35	Stores (41)	237.67	+0.9	11.88	4.12	13.26	235.57	234.15	233.45	235.84	180.56
1	36	Tobaccos (3)	261.30	+02	22,40	9.44	5.69	I61.00	162.21	160.68	THE	167.67
1	37	Toys and Games (6)	77 92 1	-0.2 -0.9	23.21 31.50	. 8.92	4.97	241,00	240.03	236.14	239.70	238.28
1	41	DTHER GROUPS (99)	20226	+0.1	15.73	9.14 6.08	3.81	72.51	72.59	74.12	, 74.64	107.35
ļ	42	Chemicals (18)	282.32		17.97	6.69	7.88 6.49	202.04	200.43	200.39	202.12	392.48
ı	43	Pharmaceutical Products (7)	220,45	+0.2	1251	4.95	-9,93	282.24 219.92	281 % 216.56	282.09	285.71	275.96
1	44	Office Equipment (6)	11936	+0.1	ן דבדג	6.58	7.35	119.20	119.63	214.89 218.89	217.23	251.16
1	45	Shipping (10)	452.01	-0.8	10.30	6.64	13.00	455.46	451.77	453.25	457.09	126 52 17 465 61 1
1	49	Miscellaneous (58)	242.06	+0.3	16.03	5.90	812	2031	237.76	239.05	240.34	196.78
ı	51		235,44	+0.1	16,34	5.73	7.80	25.32	233.65		235.77	205.72
ſ	59		687.50	-67	11.47	3.05	9.27	69210	701.55	691.99		477.58
ı	61		271.79	-0.1	15.43	5.23	8.03	271,92	27124	269.28		24.24
1	62	Banks(6)	190.13 233.36	+1.5	28.54	5.33		117.35	185.23	185.52		13.3
1	63	Discount Houses (1(1)	270.04	+3.8	20.54	6.79	453	227.11	228.67	227.52	291.17	178.47
ł	64	Hite Precision (5)	160.65	+14	20.68	5.40	6.23	260,09 158,43	253,71. 158.33	253.24	252.98	208,79
ı	65	Insurance (Life) (10)	757 OF 1	+0.2		6.69	- ===	151.56	150.29	159.33 152.%	162 36 154 97	338,74
1	66	Insurance (Composite) (8)	124.37	+1.4		7.26	- · ·	122.63		130.4	121.47	128.86 128.84
ı	68	Insurance Brokers (10)	257,12	-1.9	19.54	7.34	7.32	262.08	258.19			120 T
ı	69	Property(43)	97.90 347.82	+13		5.38		. 95.17	95.9E		96.15	75.28
1	70 ]	Mittellaneous (10)		+1.6	3.06	. 2.55 7.53	49.96	3022		331.32	334.59	22521
1	71	nvestment Trusts(110)	208.46	-03		5.44	8,16	209.42				105:58
ı	81	MINING CINANCE (4)	T20. 5み !	+0.7	16,57		7.33		208.99 1. 119.28	208.78		208.74
ı	91	Overseas Traders (20)	348.73	-05	15.19	7.08			351.67			<b>36.</b>
ı	77	ALL-SHARE INDEX(750)	248.29	+0.2	- 1	5.32			247.15	25.4	255,34 248,46	307.91
ł		-	- 1	·		-			5.00	14.00	- inde	42.54
ı	•	CIVER INTERPRET	1.5		. 1	Fixi	ED INTE	REST	100	on,		<b>T</b> . 3
1		FIXED INTEREST PRICE I	NDICES_			Br. Ca	YIELD:	S mee Dad				Yest

FIXED INT	EREST P	RICE IN	DIĆES		,	FIXED INTEREST Mon. Fr. Str. Br. Gov. Av. Gross Red. July Jane 20	Yes
British Government	Mon., July 2	Day's Change	xd ad]	ad ad. 1979 to date	1 2 3	D years	11.11
Under 5 years	105.46 116.70 122.62 132.86	+0.58 +1.79 +1.93 +2.75		- A.77 - 5.81 - 7.30 - 7.24	4 5 6 7 8 9	Medium   5 years   11.94   12.31	111221125
Aff stocks	114.24	<u> </u>	londay. Id ndax YI No.	F	ne l	Trure Wed Inex Now Pri Thorn June June June June June June June Jun	が 一

Trust Prefs. (15) 49.51 13.59 49.66 49.66 49.66 48.88 48.88 Coml and Indl. Prefs. (20) 69.08 13.05 58.87 68.87

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4.2 14.01 31 58 th1.63 42 43 BEERS, WINES AND SPIRITS

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| 154 | 1104 | 1105 | 1104 | -1 | 400 | 116 | 1700 | 5800 | 1800 | 5800 | 1800 | 5800 | 1800 | 5800 | 1800 | 5800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 BANKS AND HIRE PURCHASE

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ENGINEERING MACHINE TOOLS 132 40 205 130 66 364 146 64

HOTELS AND CATERERS

INDUSTRIALS (Miscel)

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Ass. Brit. Fds. Sg |
Ass. Dairies |
Ass. Dairies |
Ass. Pisteries |
Bantus Milling |
Basters York 10g |
Better York 10g |
Bistop's Stores |
Do. "A" N/Vg |
Bluebird Conf |
Brooke Good |
Brooke Good |
Cadbury Sch'gs |
Carrier Sulling |
Cartiers 20g |
I 



## More bombs shake Spanish resorts

day exploded two more bombs in Spanish holiday resorts, and carried out a machine-gun attack on a night train from Paris to Hendaye. No casualties

Spain also suffered two other tragedies yesterday, coinciding with the start of the tourist season. Five people died and 20 were injured in an hotel fire in Palma, the capital of Majorca. Police have ruled out foul play. In central Spain, the town of Valdepenas was devastated by

the Puerta del Sol night express injured by an explosion in the occurred near San Jean de Luz, southern resort town of in the French Basque country. Marbella, near the tourist The train was halted by a flaming barricade at the exit to a tunnel. When it stopped, two on a secluded part of the beach.

Joe Gormley, president of the

National Union of Mineworkers,

union's annual conference in

Jersey was that the miners

would fight for British coal at a

time when big consumers, like

the Central Electricity Generat-

ing Board, were trying to buy abroad. At the same time

miners were determined to stay

at the top of the national earn-

But he warned the union's

Left-wing not to rock the boat

by taking a hard line on wages.

Conservative policies or pit

He said: "We must never

consortium banking approach as

the sole basis for its inter-

for the first time that the use

of consortia alone no longer

represented a viable inter-

national strategy for the UK

He was speaking only days

after Midland announced the

largest ever foreign bank take-

over in the U.S., with the proposed £250m acquisition of

the Walter E. Heller financial

Midland Bank has been the

most committed of the major

British banks to the use of con-

sortia for international banking.

Together with such large Euro-

pean banks as Deutsche Bank of

Germany, Société Generale of

Mr. Malcolm Wilcox, one of

yesterday admitted

national expansion.

banking group-

Mr. Gormley's message to the

said yesterday.

ings league.

BY CHRISTIAN TYLER, LABOUR EDITOR

world energy crisis should not still acting as if we are under

buy our coal."

back.

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

general

France, AMRO of Holland and represented in France. No Société Generale de Banque of other major British bank is so

be prejudiced by persistent attack from every side. militancy from the miners, Mr. "I don't know who

BASQUE GUERRILLAS yester- matic weapons from either side,

politico-military wing of the nationalist guerrilla organisaclaimed responsibility, exploded in a hotel in Castellon, on Spain's east coast, and in nearby Peniscola, where the tourist office was destroyed. These brought the number of explosions in coastal restorts to 11 since last Wednesday.

In every case so far, up to But on Saturday, a The machine-gun attack on Belgian couple were seriously complex of Puerto Banus. The couple had apparently remained oblivious to police warnings.

position resulting from the are in a growth industry, we are order. But he was defeated

"I don't know who we are

trying to frighten. We are only frightening our possible

customers whom we rely on to

In spite of his appeal for

moderation, Mr. Gormley had

scarcely sat down before the

first political counter-attack of

The Yorkshire delegation

successfully moved that a reso-lution from Durham concerning

incentive schemes excluded

from the agenda should be put

Mr. Gormley said that the in-

centive scheme was entirely a

that the resolution's demand for

matter for local negotiation and

give the people of Britain the a formal link between bonus pay delegates not to use industrial

significant consortium banking

These banks represent each

others' interests in their own

countries. They hold joint

stakes in banks operating in

areas where the shareholder

EBIC's principal member is

European - American Banking,

which took over the ailing U.S.-

based Franklin National Bank

critical of the disadvantages in consortium banking, particu-larly the importance of share-

co-operation.

individual shareholders start

national operations as well,

difficulties may arise.
In EBIC's case. Deutsche

Bank has its own operation in

New York, while Midland is also

developing their own

Some bankers have been

several years ago.

The largest bank owned by

the week was launched.

matic weapons from either side. The bombings are an attempt Since it was withdrawn by the advised to change their plans spraying the under part of the to force the Government into French Government in Feb by the Foreign Office. It seems transferring more than 100 alleged ETA activists held in the Two bombs for which the maximum security prison of Soria to jails in the Basque

Gormley gives warning to militants

THE COAL Industry's strong impression that, although we and coal face rates was out of muscle for political reasons.

Midland switch from consortium strategy

MIDLAND BANK has Belgium, Midland is a member dependent on the consortium stronger," he said. Midland abandoned its reliance on the of EBIC, probably the most approach as Midland. All now would still maintain parallel

inter

Shut bakery to complain to Ombudsman

operations.

ing separateness"

Mr. Wilcox declared.

initiative.

Basque groups have quently protested at conditions the Soria, where incidents between prisoners and police are frequent

The guerrillas extended the campaign of violence to the Basque country on Saturday, when the subprefect's office in Bayonne was badly damaged by a powerful bomb, and the town was the scene of running street battles between CRS police units and Basque demonstrators.

The Basque nationalists want the right of asylum restored to

Moderation was not much in

evidence when a hard-line

wages resolution from the Left

was drawn up for debate today

demanding pay rises of between

During his presidential address Mr. Gormley said that miners had reached the top of

the pay league. "We will never

allow them to slip from that

position." But the union had to

be ready to negotiate in the spirit of compromise without

threatening confrontation every

resolution is likely to carry the customary warning of a national strike ballot if pay

The NUM president told the

have their own international

Mr. Wilcox said that Midland

of its con-

had always pressed for "increas-

sortium interests. Other banks

involved with EBIC realised

that the world of international

banking was changing. "Major

European banks can no longer

look only to minority stakes to satisfy their U.S. ambitions,"

Mr. Wilcox said that since

1974 Midland Bank had deter-

mined on having two separate international banking strategies.

The first was to continue with

consortium banking, as a mem-

ber of the EBIC club. The

second was to develop the bank

internationally by its own

"We have made it increas-

ingly apparent to the other

members that our own initiative was growing stronger and

demands are not met.

on a show of hands.

30 and 65 per cent.

French Government in February, French lorries have become favoured targets on the Spannish side of the border.
Arthur Sandles writes: The
British are pressing ahead with

their Spanish holidays in spite of the terror campaign. According to Thomson Holidays "there has been no fall off in bookings no noticeable cancella-Last year Spain earned £2.2bn

from tourism, almost one-third

all foreign earnings. Thomas Cook, Britain's big-gest travel retail chain, said there has been no effect on travel to Spain whatever apart from a few inquiries as to the of travel to that country.

It is normal practice in tour

operating to run programmes

normally unless companies are

"That is the start of the

slippery slope, which will not lead to Socialism but would

inevitably bring about a Right-

" No, we will keep our muscle

to fight our industry problems

and in the meantime try to

show the British electorate

what a ghastly mistake they have made in changing Govern-

No amount of "huffing and

puffing" by trade unions would alter the fact of a big Conser-

vative majority in the Commons.

Mr. Gormley warned the Government, which he said was

vulnerable to the lure of cheap coal imports, not to interfere

with the long-term investment

strategy for coal. Any inter-ruption would be "catastrophic

would still maintain parallel

strategies. But after Heller it

was clear that the "owr

initiative" approach was now

The Midland management has

decided on a number of geo-

graphical priorities for its

international expansion. Apart

from filling the major U.S. gap,

other areas identified for invest

ment included Australia and

the EEC. There will also be "himited advancement" in

South America, the Middle East

"Our objective is to be

represented in every major

money centre of the world,

through a presence in Midland's

name," Mr. Wilcox stated. He

added there was always a possibility in the longer term

that Midland would extent its

own representation in other

and the Far East.

for Britain," he said.

ments.

wing backlash to Fascism.

by the Foreign Office. It seems that situation is a long way off

Cancelling a package tour shortly before departure can be expensive. Most tour operators insist on full payment and will not offer refunds. Only in the event of illness would money be offered back.

However, the testing time for the effect of the campaign on travel will come at the end of this month. This is when car touring traffic, often families with school age children, is at its peak.

This impulse market can change its plans quickly, moving to Yugoslavia, Italy, or the French coast. Many smaller hotels, particularly around San Sebastian and the Costa Brava, rely on this passing trade for their livelihood.

## Chrysler peace hopes rise

HOPES WERE rising last night that the strike threatened by 3,500 workers at Chrysler UKs Stoke engine plant, Coventry, night be averted.

Such an outcome would isolate the 2,000 employees at the nearby Ryton assembly factory, who walked out on Friday in protest at the companys' offer to increase basic

the £100m a-year contract to supply components to Iran has caused extensive lay-offs and short time working, there is less enthusiasm for a confrontation, Workers are expected to vote at a mass meeting today, to give seven-days notice of strike action. It is hoped stewards will be authorised to continue

According to workers could qualify quickly under the scheme for additional payments of around £5 a week.

ръ

The decision

factory supplies engines and components for the Linwood assembles the Sunbeam and Avenger models. Stewards at Linwood though it has a repufor militancy, are

the beginning of this year by Peugeot-Citroen, has already given a warning that strike action would almost certainly start a rundown in the size of the company.

# pay by 51 per cent. At Stoke, where disruption to

negotiations on a proposed new incentive scheme.

WOTKETS is crucial, continuing talks on the annual pay deal, which was scheduled to take effect this week.

Chrysler UK, taken over at

#### Weather

DRY with sunny intervals in Eastern, Central and Southern England and S.E. Scotland. Mainly cloudy, with some rain or drizzle and fog patches, else-

Channel Is. Dry, with sunny or clear intervals. Max. 20C (68F): Wales, S.W. and N.W. England.

Isle of Man Sunny intervals. Drizzle or fog in places. Max 18C (64F). N.E. England, Borders, Edin-burgh and Dundee

Mostly cloudy, bright intervals. Max. 17C (63F).

Rest of Scotland, N. Ireland Mostly cloudy. Rain or drizzle

Outlook: Mostly dry WORLDWIDE



THE LEX COLUMN

## Jumping the gun in gilt-edged

GOVERNMEN

1979 ::

three-fifths—and still has one of

£10.7m, and the main features

Warburg. The joint ventures

with Paribas seem to have shown

a dullish performance again, but

the minority charge — which mainly reflecs Paribas 25 per

cent holding in Warburg—is up by more than a quarter. It is

clea rthat the bank was one of

the better performing accepting houses last year, and the volume

of its merger activity is one of

Meanwhile the balance sheet

total has expanded by roughly

a fifth to a little over £900m, and the disclosed capital base

has shown a similar increase

thanks in part to a write back

of deferred tax amounting to

£4.2m. Mercury's metal trading

activities mean that it has been

businesses, and there are likely

market as a whole for most of

this year: they rose 11p to 172p-yesterday, and the yield of over 5 per cent is covered more than

in future years.

the main explanations.

INDEX

The gilt-edged market folup its recent strength Index rose 1.7 to 475.1 and has now done a thorough job of anticipating a lower interest rate structure. The re-mains of the long tap vanished mains of the long tap vanished at the opening, and fund managers were falling over themselves to get into the market ahead of any overseas buyers. Profit-taking was easily absorbed and the day closed with gains of up to £21, while the highest yield available has now come down to 12.8 per cent from 13.1 per cent.

This is not the first time that

the market has pre-empted official interest rate policy. It is unusual, though, for it to go see far, particularly at the shert, end, where stocks are now yielding 21 points or so less than Treasury bills. If the rally is not to my out of steem of the rally. is not to run out of steam gilt-edged buyers will have to have their own way quite soon and see a fall in Minimum Lending

The trend of money market rates is obscured at the moment the liquidity shortages created by purchases of the tap stocks, and will be for some time, as heavy calls are due this week and next. It is probably wrong to draw any conclusions from the Bank of England's relatively accommodating behaviour in the discount market yesterday. But the authorities have sold enough stock now to make the money supply figures look satisfactory for a few months to come, and may be able to sell some more if they pitch a new partly-paid stock alluringly.

Now that the market has taken its jump of faith, the forthcoming economic statistics hold few terrors for it; the June banking figures, for example, will seem prehistoric. But if the authorities were primarily concerned with controlling bank lending, rather than the money supply as a whole, when they raised MLR to 14 per cent, they will be unwilling to lower the rate until they see evidence accumulating that the credit squeeze is working, which will take several weeks. The market's bet is that sterling. which rose to 70.1 on the tradehas come up 42 per cent since the Budget, will force the Bank's hand. After all few things heighten the attraction of sterling so much as a strong gilt-edged market to which the

ineffectively applied. Mercury Securities Mercury Securities has in- 5 per cent i creased its dividend by nearly four times.

official brakes are being

Gilt-edged indices

Headaches for the Actuaries. The New FT Actuaries gla-edged indices were introduced in May, 1977, just when the Government in its inconvenient way started to issue partly paid stocks. To date, these stocks have only been included in the nave only period the date that they became fully paid that a correct series has also been calculated incorporating from their issue dates published indices have brought into line with correct series whenever absence of any partly paid stock in the market has made

this possible. There are now two problems Early this year, several party paid stocks were issued at a time when the market was swinging violently, and this has meant that the necessary adjust-ment from the published to the correct series last made on June 20 — has been much greater than in the past. The trouble is that the change can the best covered pay-outs in the mercant banking sector. Attri-butable profits for the year to March are up from E8 im to not always he made in the same period of time as the market are a very sharp recovery in metal trading and refining, and a strong performance at S. G. movement that created it.

Moreover the calculation of even the correct series is itself a matter for debate. At the moment, it only includes the partly paid element of these troublesome stocks, which necessarily makes the corrected indices more volatile during the partly paid period. Some uses argue that this element of ger ing should be removed by in-corporating from the date of issue an allowance for future calls. Still with us? Anyone with strong views should contact the chairman of the Index Committee, Mr. R. H. Pain of stockbrokers Capel Cure Myers

#### Beecham

Beecham's report and accounts offer plenty of evidence of the group's financial strength After las able to take advantage of stock evidence relief, unlike most banking year's £83m rights issue it has to be more of these clawbacks £135m of net cash outweighing long-term debt of £132m, and The upshot is that the bank shareholders funds on an retains a noticeably solid SSAP 15 basis total £490m balance sheet, and the prospects Leaving aside the rights issue. for fee income, which is War- Beecham financed the £14m burg's strong card, look reason- acquisition of Scott and Bowse able for 1979-80. The U.S. asso and showed only a negligible clate is apparently doing better, cash deficit, even though profits while there is always the chance that the UK Government could

only marked time. There is nothing in the report put a little business Warburg's to suggest, however, that way given its plans for easet Beecham is excited about the disposals. The shares have performed much better than the first half of 1979-80 are not generally expected to be up to much, and the shares are still languishing around 550p, nearly 20 per cent below the levels of mid-May.

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head and leave the rest to us.



8Y OUR BELFAST CORRESPONDENT PETER PAN BAKERIES, the Belfast bread producer which

closed with a loss of 390 jobs, is to complain to the Ombudsman about the Government's handling of financial assistance for the shut-down. Mr. James Kennedy, the chair-

man, said in his final report to shareholders yesterday that, after the general election, the Government had withdrawn a previous offer to assist towards the closing down costs and towards underpinning share

Peter Pan had sold a Londonderry subsidiary, but, following the ending of baking in its West Belfast plant, it was unable to pay its creditors in full and both ordinary and preference shares had lost all value, he said.

The directors would refer the entire question of the Government's action in the shut-down to the Parliamentary Commis-sioner both in Northern Ireland

Continued from Page 1

stations-some are asking over

£1.40 a gallon — these were

nearly all independently owned and had bought their product on

It added that some petrol

simply to save the cost of staff.

-in respect of Government and Department of Commerce involvement — and at West-Commerce minster, in respect of Treasury involvement.

Last December, Mr. Kennedy said, the Northern Ireland Department of Commerce, told the Ulster baking industry it was anxious to see capacity reduced by 12 per cent to 25 per cent and was prepared to negotiate with any bakery wishing to go into voluntary liquidation to underpin the shareholders to a reasonable extent after payments to creditors and other commitments had been

The company decided in January to cease baking. The decision was taken on the understanding that enhanced redundancy payments could be arranged through the Government and that there would be some benefit to shareholders because of a Government under-

from petrol sales.

After the election the company had pressed the Department of Commerce to meet its commitments under the scheme. Mr. Giles Shaw, who had taken over as Industry Minister in Ulster, would not accept the company's argument that the Department was bound by the terms of the letter it had issued

The Government was prepared to contribute towards closing costs only to a limited extent, Mr. Kennedy said. The directors were "shocked and distressed" by the failure of the Governnt to stand by the terms of the offer.

The Department of Commerce would not comment yesterday. Shares held by the directors and their families in Peter Pan. equal to 45 per cent of the issued share capital, are to be

taking about the value of an Ulster flour milling company, which has an 80 per cent stake in the bakery. The transfer will be at a price

of 1p a share, and Andrews, as majority shareholders, will undertake to pay other creditors £1 in the £ and will minimise the company's deficit by selling the assets without liquidator's charges. Andrews will purchase any

other shares offered to it at the same price of 1p a share.

The remaining bakeries in Ulster, which will pick up Peter Pan's £6m-a-year trade, have provided £150,000 for enhanced redundancy payments to Peter Pan employees.

losses of £762,000 in the five years to March 31, 1976. Although it recorded small trading profits in the following tw years, its position rapidly worsened from the summer of last year.

#### Continued from Page 1 Ladbroke accused

He said the success of the in 1977 and by their profit rising £3.7m to £8.4m.

bility of police prosecutions hanging over them.

The police also allege that were neither members nor bona fide guests habitually gambled at certain Ladbroke clubs and that Mr. Michael Lavelle, who obtained American clients for Ladbroke, gamed despite being an

employee or agent of the group. Mr. Lavelle is also alleged to have been released from some of his gambling debts in con travention of section 16 of the Gaming Act

Ladbroke's shares fell 15p yesterday to 195p.

parts of the U.S., apart from Chicago where Heller's sole UK TODAY

> London, E., S.E., Cent. S., and Cent. N. England, Midlands.

with fog patches. Max. 170

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Shell petrol The company added that if Whatever some garages claimed, their shutting on Sundays had a document called "Casinos 1978 profit plan." It included a budget for research and marketing of £380,000 of which The court denied this appli-cation and also refused an adjournment for Ladbroke to there were any substantial changes in the world price of oil during the next few months a shortage of petrol."

The start to get successful the world price of "nothing whatever to do with a shortage of petrol."

Shell said it was "" seek the ruling of the divisional tries start to put surcharges on their crude prices — it would have to increase its petrol prices was because all its oil product yet again in the autumn.

Shell said it was allocating a certain number of gallons to all the garages it supplied. This was because all its oil product deliveries were about 5 per cent £37,500 was for dinners for scheme was demonstrated by deliveries were about 5 per cent Shell claimed there was no turnover of the two casino subdown on last year. The company dismissed as a load of nonsense claims made by Dr. David Owen, Shadow Energy Secretary, that real shortage of petrol now in sidiaries rising more than £10m the UK. It said that although extremely high prices were being charged by a few petrol

Mr. John Mathew, QC, for Ladbroke, tried to have the oil companies were profiteering matter of police corruption removed from the proceedings Shell said it hoped to achieve "reasonable rate of return because he said some of the this year" but emphasised that witnesses would be unwilling to its rate of return in the speak while there was the possistations were closing on Sundays last three years had been